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THURSDAY, JULY 24, 1941

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# DEFENSE



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# The NATIONAL UNDERWRITER

Forty-fifth Year—No. 30

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JULY 24, 1941.

\$4.00 Year, 20 Cents a Copy

## Procedure for Handling Penalty Wheat Is Suggested

### Farm Companies' Plan Seeks to Eliminate Moral Hazard

In the hope of avoiding a bad adjustment situation, the Farm Underwriters Association has issued a bulletin to company members suggesting a procedure to follow in the case of loss involving "penalty wheat."

The government recently fixed at 49 cents a bushel the penalty in the market price for wheat grown on acreage that was in excess of the AAA allotment. This was much higher than expected and over three times the former penalty of 15 cents a bushel.

Following numerous protests the agriculture department this week announced that farmers with excess wheat may seed below their 1942 acreage allotment and use 1941 excess to make up the difference. Thus they can avoid the 49 cent penalty.

### Penalty Creates Hazard

However, the Farm Underwriters Association will continue to advocate its outlined procedure, which it believes is essential for satisfactory loss adjustments. A "penalty," whatever it may be or however it may be applied in any particular period, creates a differential in wheat price, and this introduces a moral hazard with respect to insurance covering such wheat.

The procedure suggested by the association, which comprises approximately 50 companies writing farm business, consists of six points. These are:

1. It is the obligation of assured to prove that the destroyed wheat was eligible to be marketed without penalty and that it was not "excess wheat" as defined by the Agricultural Adjustment Administration.
2. The liability of the company is limited to the cash value of the wheat destroyed.
3. The cash value of "excess wheat" shall be determined by deducting from the current market price the cost of harvesting plus the penalty, where a field loss is involved.
4. Where a loss occurs in the field the "excess" acreage, if any, shall be considered as being the first destroyed. Any part of the field not damaged shall be construed as being within the acreage allotment.
5. When wheat is destroyed while in a building, the practice applying to the adjustment of a field loss shall apply and payment made on the usual basis on that portion of the wheat eligible for market but the penalty shall be applied to the "excess."
6. Recognition should not be given to any claim made by assured that it

(CONTINUED ON LAST PAGE)

## Outline of K. C. Program Is Given

### N.A.I.A. Time Schedule Is Set Up for Maximum Benefit to Agent

The general outline of the National Association of Insurance Agents' convention in Kansas City Oct. 13-16 has been issued by the association. Details as to speakers and subjects will be announced shortly.

The "framework" of the annual meeting will follow the pattern of meetings in recent years. The executive committee will go into session Oct. 10, and continue through Sunday, Oct. 12. It has a long list of new and difficult problems confronting it for conference at Kansas City.

The convention will open promptly at 10 a. m. on Monday, Oct. 13, with the Business Development Office's "Pattern for Production," a sales seminar that will occupy the entire morning session.

In the afternoon national councillor territorial meetings will be held. The groups consist of eastern, southern, mid-west, and far west territories.

### Advisory Council

The advisory council of the Business Development Office will meet Monday evening. The executive secretaries and managers of local boards and state associations will also get together Monday evening to exchange ideas, opinions and methods.

Breakfast conferences of the accident prevention, fire prevention, rural agents and membership committees of the National association will start off convention business on Tuesday morning.

The annual meeting of the National Council will begin at 10 a. m., and concurrently the annual meeting of the state association officers will be held. At the conclusion of their respective meetings, the two groups will get together for a joint luncheon.

### Local Board Conferences

Local board conferences will feature Tuesday afternoon, and no other convention business or meetings have been planned in order to permit attendance at these conferences. There will be three separate meetings for local boards, agents being divided into groups according to population. In the first group are agents from cities up to 50,000, in group 2 from 50,000 to 250,000, and group 3 over 250,000. The resolutions committee will meet at 3:30 Tuesday afternoon.

The annual banquet will be held on Tuesday night at 7 o'clock.

The report of the administration and other formal presentations will constitute the second convention session opening Wednesday morning at 10 o'clock. Wednesday afternoon will be devoted to group meetings at which merchandising problems will be discussed. Already scheduled for treatment are comprehensive liability, post-mortem of a mercantile fire loss, personal accident and health insurance, fidelity insurance and burglary. Three such group meetings will run concurrently, and members may

## Insurance Bolsters Aid to Britain Loan

### No Disruption of U. S. Branches' Business by Using Stocks as Collateral

NEW YORK—United States branches of British insurance companies, as well as other British interests in this country, helped to supply the collateral on which was based the 425-million loan by the RFC to England under the lease-lend bill, which was announced by the RFC this week. An explanation of the transaction was made public by a committee of U. S. managers of British fire, marine and casualty companies. It was declared the insurance companies' management and control, and their relations with agents, brokers and assured, will not be disturbed in any way, and the protection to policyholders will not be diminished.

The loan will bear 3 percent interest per annum, and mature in 15 years, with privilege of renewing for an additional five years under stipulated provisions.

### Many Materials on Order

Before the lease-lend bill was passed the British government had contracted with American manufacturers for the delivery of airplanes, tanks and guns, as well as American cotton, tobacco, wheat, beef and other necessities.

By the sale in the United States of American securities acquired from their nationals in other parts of the world the British government accumulated in this country hundreds of millions of dollars toward payment for these military and other supplies, but more money was needed.

Thereupon the British-owned American fire, marine and casualty insurance companies and a number of the larger British-owned or controlled industrial companies entered and doing business in the United States were asked to cooperate in negotiating the loan from the RFC on the basic principles of any other commercial loan—the proceeds to be used to pay for the supplies ordered. These insurance and industrial companies agreed to cooperate but on the understanding they were not to be parties to the loan, which, in fact, has been arranged solely by and between the two governments.

The owners of the stock of the insurance and industrial companies agreed to lend it to the British government to be deposited in New York as collateral for the loan, and the companies have agreed

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select topics which have the greatest interest for them.

All of Thursday morning will be devoted to the popular group sessions on agency operation and management. Agents will be divided into three groups according to premium production, up to \$100,000 in annual premiums, from \$100,000 to \$300,000, and more than \$300,000.

The final session of the convention will be at 2 p. m. Thursday, and officers will be elected and resolutions adopted. The past presidents dinner will be Thursday evening at 7 o'clock and will be followed by the annual ball.

## Remarkable Career Ended with Death of R. M. Bissell

### Hartford Fire President Was Leader for More Than 50 Years

HARTFORD—Richard M. Bissell, president of Hartford Fire and chairman of the board of Hartford Accident & Indemnity, died unexpectedly at his



RICHARD M. BISSELL

home in Farmington, Conn., following a heart attack. He was 79.

Outstanding as a leader in fire insurance for half a century, Mr. Bissell organized more successful fire insurance companies than any other man in the U. S. That leadership was exerted up to the last, for though he was getting along in years, he had been "on the job as usual" until the day he died, and he vigorously directed the policies of his companies until the end.

Three or four years ago Mr. Bissell suffered a stroke on a golf course at Charleston, S. C. He was confined to a hospital there for some months. At times his condition seemed hopeless but he staged a remarkable recovery.

### Over 200 Leaders

The funeral, attended by more than 200 insurance leaders of the country and friends, was held at the Farmington Congregational Church, and burial was in Riverside Cemetery, Farmington. Many insurance men, including executives of the Hartfords, were unable to get to Hartford for the funeral because it was held so shortly after death.

The Eastern Underwriters Association named a special committee to attend the funeral services, consisting of Cecil F. Shallercross, U. S. manager North British

(CONTINUED ON PAGE 10)

## Sullivan, Taylor A. I. U. Directors

NEW YORK.—At a special meeting of stockholders Walter T. Sullivan and Alfred K. Taylor were elected directors of American International Underwriters Corporation.

Mr. Sullivan, a native of Brooklyn, first went to the far east in 1917 for the Commercial Cable Company. He joined the American Asiatic Underwriters in 1928, specializing in ocean marine insurance. From 1930 to 1935 he was branch manager of the A.A.U. successively in Batavia, Singapore, Hong Kong and Canton and in 1935 became its marine manager in Shanghai. Soon thereafter he was appointed vice-president of the A.A.U. and became its president in 1939. He will be located at the A.I.U.'s 111 John street office, New York City, and will devote his full time to world-wide ocean marine insurance.



A. K. Taylor

### Taylor with Starr Many Years

Mr. Taylor has been associated with the C. V. Starr interests for a number of years. He first joined the organization in 1921 as secretary and director of Asia Life of Shanghai. In addition to advertising, sales promotion and agency development work for that company, he handled promotional work for the American Asiatic Underwriters and in 1924 became president of International Insurance Office, a company the Starr group organized that year to do a general insurance business. After 10 years in insurance, advertising, sales promotion and personal trust work in this country, Mr. Taylor rejoined the Starr organization in 1936 to handle advertising, publicity and public relations for both the United States Life and the A.I.U. and in 1939 set up his own agency to serve as counsel in these fields.

Mr. Taylor's new position as a full-time executive with the A.I.U. necessitates the servicing of that advertising account by a separate agency and this will be done by Parker Allston Associates, Inc. 18 East 48th street, New York City. Mr. Taylor will continue to direct the advertising, publicity and public relations of the A.I.U., fields in which he has specialized for many years—but will also devote a major part of his time to analysis and development of the possibilities of merchandising A.I.U. service in worldwide insurance markets, to the organization's public relations in the many offices of its affiliates and representatives abroad, and to other work of this nature.

### Big Mankato, Minn., School Loss

MANKATO, MINN.—Some 40 stock companies, carrying a total of \$192,400 insurance, figured in the total loss on the Mankato high school. Caledonian and Home were the largest carriers. The cause of the fire has not been determined. Part of the building was about 50 years old and the other part 30 years. A few years ago it was condemned as a fire hazard by the state fire marshal but afterwards several changes were made to conform to his recommendations.

### Should Have Been Floater

In an article on survey selling last week the reference to the "second home" feature of the fire policy was incorrect. Reference should have been made to the personal property floater rather than to the fire policy.

### Signs Mass. Tax Exemption Bill

BOSTON—Governor Saltonstall has signed a bill which provides that insurance companies domiciled outside the state shall be exempt from taxation on their personal property.

## Barbour Tells of Defense Work by National Board

LOUISVILLE — Cooperation with the War Department in preventing possible "malicious mischief" at army and navy posts and in vital industries was told here by R. P. Barbour, U. S. manager of Northern Assurance and president of the National Board. Mr. Barbour combined a business trip here with a visit to his son, Robert L.

Approximately 150 engineers supplied by the board are working under War Department orders, he said. Of this number, some have been shifted temporarily to government payrolls while others are being carried as \$1-a-year men and continue as board employees.

"These men are making detailed inspections of all cantonments, supply depots, defense manufacturing centers and any other places where fires or acts of violence could cause untold damage to the nation's preparedness program," Mr. Barbour said. "The board sees none of their reports and is uninformed as to their movements."

### Some Fires Questionable

"Investigations of recent conflagrations have revealed a few that have had questionable origins—which ones, naturally, I am not at liberty to say."

Mr. Barbour said discontinuance here of salvage corps support by insurance companies was in line with steps taken in other communities. The salvage corps officially ceased operation July 15. However, it will answer alarms if called by the fire department until midnight July 31.

Offers to turn over the corps' \$35,000 equipment, including two trucks and more than 1,000 tarpaulins, to the city for \$1 were opposed by Safety Director Lindsey, who declared the fire department lacks sufficient men to man the salvage corps and that the city cannot afford to hire more firemen.

Louis A. Vincent, assistant secretary of the National Board, and W. I. Renau, Salvage Corps president, urged the city to take over the corps' duties.

## Federal Investigation of Chicago Brokers Pending

There are indications that a general investigation by the U. S. Bureau of Internal Revenue of the social security practices of insurance brokers offices is pending in Chicago. Complaints of violation have set the Bureau on the trail.

It happens where there are four or five brokers in an office employing a single stenographer or clerk, that none of them takes the responsibility of employer and files social security returns for the employee. Whether this is due to ignorance or neglect, federal officials warn, the situation must be rectified and violators are liable to prosecution resulting in stiff fines, prison, or both.

## Permit Reporting Forms at One Location in N. E.

BOSTON—The New England Fire Insurance Rating Association has authorized the use of single state reporting forms at a single location. This has been permitted on the Pacific Coast and in the middle west for some time and is gradually spreading to other jurisdictions. There is a special requirement in New England that a single location risk must have average insurable values for the previous year of at least \$50,000 for form A and maximum values of \$50,000 for form B. An application must be filed and permission obtained from the rating bureau.

The association has also removed the additional charge for demolition insurance for fireproof buildings. In Massachusetts, this covers the cost of demolishing a structure outlawed by zoning laws and the additional cost of rebuilding, when fire damage to the extent specified in the law makes restoration illegal. In the other New England states, this extension covers demolition cost only. Previously, a 10 percent increase in premium was required to cover this hazard for fireproof buildings. The 15 percent additional charge for buildings other than fireproof remains.

## Agents' Assn. Officers in N. Y.

President Payne H. Midyette and Vice-president R. W. Forshay of the National Association of Insurance Agents spent several days in New York this week conferring on varied matters with company executives and members of the National association's headquarters staff. Mr. Midyette, Mr. Forshay, General Counsel Walter H. Bennett, and W. Owen Wilson, Richmond, Va., past president, met with officers of the Association of Casualty and Surety Executives and the National Bureau Tuesday to go over current matters. Sidney O. Smith, chairman of the executive committee of the National association, had been expected to attend the meetings, but was unable to do so because of illness which confined him to his home in Gainesville, Ga. Also present for several days at New York headquarters was Thomas G. Redden, Greensboro, N. C., member of the executive committee.

## Name Chairman for Women's Meet

ST. PAUL—Mrs. Fern Harrington has been appointed general chairman of the committee of the St. Paul Association of Insurance Women which will have charge of the 1942 meeting of the national association here next June. Mrs. Harrington is a past president of the St. Paul group and one of its most active members.

The St. Paul Association discussed plans for the national meeting at a picnic gathering July 22.

"Why Disability Insurance Is a Good Investment for You" booklets help sell accident and health. 100 copies \$2. Order from National Underwriter, 175 W. Jackson Blvd., Chicago.

## No Credit Allowed in Maryland on Lloyds Reinsurance

BALTIMORE—Commissioner Gontum has issued a ruling that companies operating in Maryland may take no credit in statements or reports filed in the state for any reinsurance ceded to Lloyds of London, unless such company retains at all times in its possession, or in a trust fund under its control, funds due to Lloyds equal in amount to the unearned premium reserves, reinsurance due on paid and unpaid losses, and any other amounts for which credit is taken.

## Geo. Blum, Adjusting Firm Executive, Resigns Post

George Blum this week announces that he has resigned as assistant general manager of Underwriters Adjusting at the Chicago headquarters.

Mr. Blum had been with Underwriters Adjusting 17 years, starting as staff adjuster in Chicago. Later he became general adjuster and last year was appointed assistant general manager.

His earlier experience was in building and construction work and machinery manufacturing. Upon terminating his connection this week, Mr. Blum left for New York to go on a yachting cruise in Atlantic waters.

## Exhibit Fire Losses of \$100,000 or More in June

In June 207 fires caused damage of \$100,000 or more for an aggregate loss of \$9,316,500, according to figures published by the New York "Journal of Commerce." Following is a list of fires resulting in damage of \$100,000 or more during the month:

South Gardiner, Me., lumber yard, \$200,000; Salisbury, Md., shopping district, \$250,000; Charleston, Mass., heating supply plant, \$150,000; Jersey City, N. J., steamship cargo, \$100,000; Jamaica, L. I., eleven stores, \$100,000; Oceanside, L. I., 19 oil trucks and garage, \$250,000; Randolph, Vt., sawmill and dwellings, \$100,000; Wheeling, W. Va., machinery products plant, \$200,000.

Jacksonville, Fla., Clyde-Mallory warehouse and piers, \$100,000; Lakeland, Fla., packing house, \$125,000; Riceboro, Ga., veneer mill, \$150,000; Wichita Falls, Tex., auto supply firm, \$100,000.

Chicago, Ill., food store, cocktail lounge and bowling alley, \$200,000; Grand Rapids, Mich., trucking, storehouse, \$200,000; Omaha, Neb., Union Pacific switch engine, tank and refrigerator cars, \$100,000.

Gilbert, Ariz., alfalfa mill, \$200,000; Ketchikan, Alaska, business district, \$300,000; Kingsburg, Calif., cotton oil plant, \$200,000; Modesto, Calif., winery, \$200,000; Eugene, Ore., J. J. Newberry store, bowling alleys and offices, \$200,000; Huberdeau, Que., orphanage buildings, \$100,000; Morden, Man., grain elevator and annexes, \$175,000; Port William, N. S., grain warehouse, \$100,000; Vancouver, B. C., paper plant and welding shop, \$150,000.

## Mid-Hudson Loss Estimate Cut

NEW YORK—Loss on the Mid-Hudson Warehouse, involved in the Jersey City waterfront fire of May 31, first estimated at 50 percent, will not exceed 30 percent, adjusters now say. The construction of the building, as one adjuster expressed it, equalled "that of a modern battleship." While stock companies are involved to a considerable degree, both as to buildings destroyed and in contents damaged in the giant warehouse, they are taking some comfort in the fact that the involved extensive line of the General Foods Corporation is carried by the Factory Mutuals, which secured the business in a rate competition with the Factory Insurance Association.

Get more casualty business. Send \$1.50 for year subscription to Casualty Insurance, 175 W. Jackson Blvd., Chicago.

## THIS WEEK IN INSURANCE

R. M. Bissell, distinguished president of the Hartford Fire, is dead. **Page 1**

Farm writing companies outline suggested procedure to solve insurance problem of penny wheat. **Page 1**

U. S. blacklist of Latin-American Axis sympathizers includes several insurance firms. **Page 3**

Time schedule of National Association of Insurance Agents convention in Kansas City is announced. **Page 1**

R. M. Bissell's career in the west is recorded in a feature article. **Page 3**

Shortage in grain storage doesn't increase insurance hazard on protected elevators, but does increase premiums. **Page 5**

Right of Pennsylvania commissioner to assess policyholders of the old Keystone Indemnity Exchange of Pennsylvania, is upheld by Maryland appeals court. **Page 11**

C. F. Rupprecht has been made second vice-president of fire companies of Firemen's group. **Page 6**

Details are set forth of proposed automobile assigned risk plan for New York state. **Page 11**

Johnston & Harder agency of Pittsburgh wins decision from court of common pleas against Massachusetts Bonding in well known case involving cancellation of agency contracts. **Page 13**

Public liability manuals revised by National Bureau; six separate manuals established. **Page 11**

Illinois producers learn that Governor Green is redeeming his pledge to eliminate political spoils from state insurance purchases. **Page 11**



## Persistency Bonus to Be Paid Brokers on Life Business

MINNEAPOLIS—Northwestern National Life announces that it has extended the Arnold system of renewal commissions to selected brokers. In principle, the brokers' plan is the same as that in effect for full-time agents since September, 1939, under which renewal commissions to agents producing persisting business have been sharply stepped up. Under the brokers' plan the customary non-forfeitable 5 percent renewal commissions are paid from the second to the 10th policy years on all business as it renews each year and, in addition, a bonus for quality at the end of each year, on the same business. The quality of the business is determined by its persistency. Renewal ratios are computed separately on the business produced in each of the nine renewal years and a flat commission will be paid per \$1,000 of business of each year of issue which renews over the base ratio established for the business of that particular year of issue.

### Retroactive for One Year

The plan is made retroactive for brokers who were under brokerage contract in 1940 and the first bonus will be paid at the end of 1941 on 1940 business renewing this year.

Assuming a \$28 per thousand average premium, a broker whose business renews 100 percent in the second policy year will, according to the current base ratios, receive renewal commissions under the plan of 14.2 percent; if it renews 100 percent in the third year, 13.1 percent; in the fourth year 12.4 percent, and so on each year through the 10th year. At a renewal level of 85 percent, renewal earnings range from 10.4 percent of premiums in the second policy year to 10.1 percent in the 10th policy year, and at a 75 percent renewal level they amount to 7 percent in the second year and 9 percent in the 10th year. At renewal ratios below the base ratios only 5 percent will be paid but never less than 5 percent.

The base ratios now applying to brokerage business will be the maximum ratios which will be applied to business submitted by brokers in the years 1940 through 1944, inclusive.

## New Automobile Policy Now Approved in 32 States

NEW YORK—In addition to the 27 states and the District of Columbia that previously approved the revised standard automobile fire, theft, comprehensive and collision policy of the National Automobile Underwriters Association, Alabama, Colorado, New Mexico, North and South Carolina have now authorized the new form.

Under the North Carolina law, convertible collision insurance is not permitted, though policies including the coverage may be used. All policies issued in that state must bear this endorsement: "Proofs of Loss—The failure of the insured to furnish proofs of loss as required by the terms of this policy shall not debar him from recovery hereunder unless within 30 days after receipt of notice of loss, the company or its representatives shall provide the insured with a blank or blanks in duplicate, in the form approved by the insurance commissioner, to be used for the purpose of making such proofs of loss."

### Take Posts with Home Subsidiaries

M. E. Sprague and John Glendening, officers of the Home, have been elected vice-presidents and secretaries of Homestead and Carolina as well.

Frank S. Ennis, advertising manager of the America Fore group, has recovered sufficiently from an appendectomy performed several weeks ago to return to his desk.

## R. M. BISSELL'S WESTERN CAREER

By C. M. CARTWRIGHT

After he graduated from Yale, R. M. Bissell became a clerk in the Chicago agency of Moore & Janes, now Moore, Case, Lyman & Hubbard. The firm was sole agent of the Hartford Fire and in fact its predecessor was the first agent of the company in the city.

Mr. Bissell's father, George F. Bissell, was western general agent of the company and could have been president had he desired. His influence led to George L. Chase getting that position. Mr. Bissell believed he could serve the company with greater distinction in charge of the west.

The father was in the front row of that brilliant galaxy of western managers of the '80's and '90's. He had a resourceful, penetrating mind, was possessed of sound underwriting judgment. He was austere and dignified. His son inherited many of his father's characteristics.

### Entered Western Department

In due season, R. M. Bissell entered the employ of the Hartford Fire's western department. He had the distinct advantage of being schooled by his father, a superior underwriter. He was quick to learn. Like his father he was serious-minded. His attention was centered on life's more earnest and sedate demands. Socially he was always at ease. R. M. Bissell was not assigned to field work. His whole early insurance education was under the direct tutelage of his distinguished father in the office.

Mr. Bissell passed upward through logical steps until he became one of the chief examiners. His father's health became impaired and he went to Asheville, N. C., to endeavor to repair his shattered energies. However, he gradually failed and died in that city.

### Became Part of Management

P. P. Heywood was assistant general agent, a benign, rather pompous gentleman, far below the Bissell scale in ability. He was typically obedient, a shadow of Bissell, the elder. However, President Chase was a shrewd operator. He went to Chicago, realized that it would be polite to elevate Mr. Heywood but realized that on the throne should sit by his side officials of strength and influence who would maintain the supremacy of the Hartford Fire in the fast growing western field.

He made a clever move that revealed his astuteness. He was not in the same intellectual or highly trained underwriting class as Bissell, pere et fils. Yet he was a more finished and far seeing politician. He got closer to his people and had an insight in their potentialities.

President Chase brought to the western branch John W. G. Cofran, who was one of the Pacific Coast managers. He was one of the most glamorous and fascinating personalities that ever entered insurance. He had that typically Pacific Coast breeziness, self-confidence and determination. Men of his type overcome earthquakes. They are daring and have much of the pioneer spirit. Here was a robust underwriter who stalked like a giant across the continent—from San Francisco to Chicago, from Chicago to Hartford. He was appointed assistant general agent.

### Bissell Second Assistant

President Chase had taken the measure of R. M. Bissell. He knew the power and influence of the name Bissell in the Hartford Fire and in the west. He had seen this young man drilled in the rudiments of fire insurance. He had advanced orderly and naturally. He had developed ballast, excellent judgment and was never flighty. He was evenly balanced. I presume President Chase drew open the curtain and peered ahead. He saw in R. M. Bissell presidential material. He needed additional training in administration. Hence he was appointed second assistant general agent.

So the department had two men butressing the chief who were competent

and had in them the elements of growth. The Heywood regime was short lived. Mr. Heywood had just married a woman of more tender years. He paid for his folly and soon died.

### Cofran & Bissell Successors

The line of succession was marked. There was no doubt. A great team was established. In many ways this was as interesting an insurance managerial partnership as the west has seen. The Hartford Fire took on added stature and its wings spread wider.

President Chase saw the need of a crown prince at the head office. He again revealed his perspicacity. He wanted a man in training so Mr. Bissell went to the home office as vice-president.

A new duet sang in the Hartford's western office. A. G. Dugan of Louisville, famed field man of the company, a man with the heartiness and cordiality of the south was paired with Mr. Cofran, as Cofran & Dugan. Mr. Cofran by this time had toned down but he lost none of his aggressiveness. However, the more conservative Dugan was needed to perpetuate the proper balance.

President Chase had a program well thought out. He passed out of the scene but back in Chicago was the man he had sent there for wider experience. He had worked with R. M. Bissell and the latter knew his worth. Hence Mr. Cofran was summoned to Hartford as vice-president. John Cofran died too young. He was just in the days of his greatest usefulness and was in a stage of riper development when the golden bowl was broken.

### John Carr Made a Partner

To fill the gap in Chicago, evidently taking a lesson from President Chase's wise steps, President Bissell called to the department to walk with Mr. Dugan another man of might, prowess and force, John H. Carr, who was the guiding hand in the Citizens of St. Louis, which the Hartford owned. So Dugan & Carr were at the helm.

There has been no department in the west that has had such varied management. The type of men on the bridge were typical of the company. They were proud of the institution. They gloried in its history and progress. Running at high speed, yet ever with a magic hand near the throttle was a calm, judicial, self possessed Bissell.

### Mr. Bissell's Gradual Ascendancy

President Bissell was "to the manner born." He sprang from sturdy stock and blood will tell. He took on many of the characteristics of his mother, a modest charming woman of noble strain. He had the good fortune to have been sired by one of the most successful fire underwriters the west has been privileged to know. R. M. Bissell sat at his father's feet and learned the proper course of good substantial business. He came within the circle of cultured society. At Yale, he spent his time in study and reading. The frivolities of college life did not appeal to him. He searched for truth and wisdom.

When he sat as an inexperienced clerk in Moore & Janes office, he must have absorbed some of that urbanity and kindness of the fatherly James H. Moore. In fact Mr. Bissell had the faculty of taking from others what he lacked or what he particularly needed. Certainly he owed more to his illustrious father than any one else in the realm of business. He was quick to assimilate knowledge from the other higher men in the western department. He may have even added a ring or two from the heartiness and witchery of Cofran.

Certain it is that R. M. Bissell was prepared for those greater responsibilities in that healthy, stimulating underwriting school of the west that has sent so many men of superior mold to commanding positions in the east.

## U. S. Blacklist Hits Insurance Offices

### Seven Firms Identified; Several More Believed to Be Diverting Information

WASHINGTON—About half a dozen Latin American insurance firms are on the blacklist of 1,800 persons or firms with which further trade by Americans is prohibited because of their German or Italian connections. Persons in touch with the situation in Latin America maintain that there was ample justification for including each of the insurance firms and that about eight or 10 more should have been on the list.

Included on the blacklist are: Aseguradora Argentina, El Fenix Sudamericano, Germano-Argentina, all of Buenos Aires, Argentina; General of Italy and H. Rudert Co., Rio De Janeiro, Brazil; La Italia, of Valparaiso, Chile, and Albingia Versicherungs of Bogota, Colombia, and Montevideo, Uruguay.

There is considerable evidence that certain insurance firms have been using information available to them in a way to help the Axis powers. It is believed that some insurers have gone after business at cut rates, subsidized by German money, in order to get information needed for economic penetration in Central and South America.

The blacklist simply contains the names of individuals or companies engaged in the various Latin American countries—19 in all—from Mexico and Cuba southward, with no identification of their fields of activity. It represents the result of investigation by several government departments over a period of months. Little has been said of what those investigations developed other than that they showed the listed companies to have German or Italian connections. Reports from South America indicate that some companies representing both American and European insurance companies have systematically directed their efforts to placing insurance with the latter.

### BLACKLISTED FIRMS LOSE COVER

NEW YORK—Goods destined, even indirectly, for any of the 1,800 Latin American firms or persons on the recent government blacklist will not be insured against risk of British capture, cargo war risk underwriters announced this week. The underwriters have adopted a warranty excluding the interest of any person or corporation appearing on the "blocked nations" list where risk of British capture is covered.

Ordinarily a British capture is not included in war risk coverage but is frequently assumed on shipments to ports where there is no likelihood of the goods being transhipped and eventually reaching Germany.

Cargo rates continue the same despite the increased tension in the Far East. Rates already reflect the risk of hostilities breaking out in a way that would affect shipping. Many underwriters feel that Japan will make no move until it can do so with considerably less risk than it would face even under today's conditions.

### List Kansas Convention Features

Otto R. Sauder, Wichita attorney, will be the banquet speaker at the annual meeting of the Kansas Association of Insurance Agents Sept. 24-26 in Salina. Fire prevention will be featured on the program, since the Kansas convention is being held prior to Fire Prevention Week for the first time. T. Alfred Fleming, chairman of the conservation department of the National Board, has been invited to speak.

The golf tournament will be held the opening day, with the Salina Insurance Board as host at the Salina Country Club. A stag party will follow.

## NEWS OF FIELD MEN

### All Roads Lead to Grand Nest

The Carolinas Blue Goose is making a strong appeal for one of the most successful of grand nest meetings in Asheville, N. C., Aug. 26-28. The last issue of "Blue Goose Feathers," the pond's publication, is devoted entirely to the 35th annual Blue Goose convention.

The Carolinas pond emphasizes the fact that Asheville is in the center of the vacation land of the south, between the Blue Ridge Mountains and the Great Smokies. Near Asheville are the Black Mountains containing Mt. Mitchell, the highest peak in eastern America. In addition to these natural attractions, the Carolinas pond has prepared an outstanding program, business and pleasure.

Reservations for the meeting are already going rapidly, according to K. R. Smith, Great American, publicity chairman for the Carolina pond. T. C. Ravenel, Flat Iron building, Asheville, is handling reservations as hotel chairman.

### Higginbotham Is New Head of Florida Blue Goose

TAMPA, FLA.—Clyde T. Higginbotham, general agent, Jacksonville, succeeds W. L. Reynolds, Jacksonville, state agent of American, as most loyal gander of the Florida Blue Goose. Other officers are: Supervisor, G. E. Edmondson, general agent, Tampa; custodian, H. E. Chadbourne, Aetna Fire, Jacksonville; guardian, Seth G. McKeel, Great American, Lakeland; keeper, H. P. Meacham, Mills & Whitner, Jacksonville; welder, Milton M. Spradlin, general agent, Tampa.

George E. Edmondson, past most loyal gander, is sponsored by the Florida pond for welder of the grand nest in the annual meeting, Aug. 26-28 at Asheville, N. C. The Florida pond now has 146 members, the largest number in its history.

### McEvoy Named Michigan State Agent of Security

James E. McEvoy has been appointed state agent of Security of New Haven, East & West and Connecticut Indemnity for Michigan to succeed H. R. Lamy, resigned. Mr. McEvoy has had many years of experience as an underwriter and special agent in Michigan.

Alvin C. Tregoning has been appointed special agent of Security, East & West and Connecticut Indemnity for Washington, northern Idaho and Montana with headquarters in Seattle. He entered the insurance business in 1935 and has done general agency work in Seattle and Tacoma.

### Blue Goose Contributes to U. S. O.

MILWAUKEE—Acting under direction of Most Loyal Grand Gander McKeel to make the contribution from funds left after the purchase of an ambulance for British Relief by the Blue Goose, Grand Welder R. A. Kenzel has turned over a check for \$300 to the U. S. O. as a grand nest contribution. It was presented to Ralph Martin, president of the Milwaukee Board, captain of the insurance division team soliciting U. S. O. funds locally.

### Hold Texas-Okla. Joint Meeting

The Oklahoma and Texas Blue Goose held a joint meeting at Darnick Hills Golf Club, Ardmore, Okla., with 45 in attendance from Oklahoma and 27 from Texas. Among those present were J. F. Miazza, assistant general manager Fire Companies Adjustment Bureau, Dallas, and R. U. Wright, Dallas, state agent New York Underwriters, each of whom

had served as most loyal gander of both the Texas and the Louisiana ponds. An emblem was presented to J. S. Berkshire, now an Ardmore local agent in honor of 25 years of membership and recognition was given John Benson, Oklahoma City, secretary Oklahoma Fire Underwriters Association, and Julius M. Miller, Muskogee, who had been members since 1906.

Another honored guest was Charles L. Beale, Texas state agent of Yorkshire, who is being sponsored by the Texas pond for grand keeper at the grand nest meeting at Asheville.

### Syracuse Pond Changes Tenure

The Syracuse, N. Y., Blue Goose has voted to change the term of office to agree with the fiscal year of all ponds. Formerly officers were elected from January to January, but now their tenure will be from June to June. It has been arranged that the present officers stay in office an extra six months. A life insurance program for members of the pond was introduced by Most Loyal Gander James A. Semple and a committee was appointed for further consideration.

### Name Ind. Executive Committee

Roy P. Elder, Fidelity-Phenix, recently elected president of the Indiana Fire Underwriters Association, has appointed on the executive committee John D. Pearson, Glens Falls; G. N. Schumacher, Hartford Fire; C. B. Crist, North America; L. R. Swanson, Liverpool & London & Globe, and Don G. Kaga, Royal Exchange.

### Scott Detroit Special Agent

American has appointed Harold G. Scott special agent assisting State Agent L. J. McDonnell in the Detroit office, 723 Majestic building.

Mr. Scott was advanced from the brokerage department at Rockford after serving in various capacities in the western department for more than nine years.

### Illinois Pond Committee Heads

The chairmen of the committees of the Illinois pond have been announced by Ralph S. Danforth, most loyal gander, as follows: Membership, Sherman S. Leseth; initiation, James P. Jana; entertainment, Mr. Danforth; finance, R. F. Woltersdorff; publicity, Levering Cartwright; visiting, John Chickering; memorial, Arthur A. Knopp, and relief, D. J. Harrigan.

### Oklahoma Preventionists Elect

B. H. Aust, Oklahoma City, state agent Hanover Fire, has been elected president of the Oklahoma Fire Prevention Association. George E. Wyatt, Hartford Fire, is vice-president. J. M. Jones, Phoenix of London, was re-elected secretary-treasurer.

### Kunkle Gets Another Company

The Washington Assurance has been licensed in Ohio. John G. Kunkle of Columbus is state agent. Mr. Kunkle, who handles the business of Quaker City Fire in Ohio, will continue that connection in addition to his representation of the Washington.

The Seattle Blue Goose will hold its annual picnic at the Lake Washington home of Roy W. Nelson Aug. 3.

### Will Coordinate Field Work

Under the new working agreement between Central Manufacturers Mutual of Ohio and the Mutual Fire of Saco, Me., field men of both companies will operate jointly. The Central Manufacturers already has a New England department in Boston and its services will be extended to Mutual of Saco agents.

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## Storage Shortage No Insurance Problem

### Jam of Grain at Terminal Centers Increases Premiums

Grain storage has become quite a problem throughout the middle west for both the government and private shippers. With the movement of the new crop into terminal centers only just now getting well under way, jamming of grain at such points as Chicago, Minneapolis, Kansas City and Omaha is expected to grow even worse.

The principal effect on insurance is an increasing premium volume as stocks in storage continue to mount. The fact that an elevator is full rather than half full of grain has little, if any, effect upon the hazard, but does, of course, double the liability and thereby add to the premium volume.

### Little Change in Hazard

During the peak movement of grain into terminal elevators the hazard increases slightly because elevators are operating continuously in the handling of grain. It is therefore difficult to "keep house." Underwriters keep a close check on housekeeping and where they feel it is necessary they step in and interrupt operations long enough to permit cleaning up. This also serves to reduce the dust hazard.

Most grain elevator insurance is written on a reporting form. Storage houses report as of a certain day each week on the average amount of grain in storage. At the end of the month the average amount of grain in storage is computed and reported, the average monthly price of wheat at market is figured and the exposure arrived at. Formerly warehousemen were required to report weekly the average storage for each day in the week. The new method is somewhat simpler for the elevator management.

The grain storage situation has been changing in the last few years due to the increasing presence in the market of the government. The government has been holding in storage more and more carryover each year of wheat and corn in its effort to maintain market prices. Underwriters say that there has been a decreasing fluctuation in grain stocks in storage at terminal warehouse points, and during the last year there was probably the smallest fluctuation in history because of this growing surplus. This means, of course, that the amount of liability insured is greater and premium volume is larger.

The government, with its vast surplus to carry, is faced with the necessity of buying storage as cheaply as possible and does not ordinarily pay the same price as regular shippers for warehouse facilities. Where the regular shipper pays from 1 to 1¼ cents per bushel per month at terminal points, the government is said to pay around one-half cent.

While the situation is a serious one for the government and others with wheat moving into market, underwriters have little to worry about, since they insure the elevator and the wheat in it until it is full, and are not concerned about lack of additional warehouse facilities.

### Discuss New Texas License Law

SAN ANTONIO, TEX.—The San Antonio Insurance Exchange considered the advantages of the new license

law requiring examination for licensing of recording agents and solicitors in the light of results obtained in other states. Secretary F. F. Ludolph cautioned the members against expecting too great results.

### Mo. Superintendent Suggestions

JEFFERSON CITY, MO.—Two more Missourians have appeared as possibilities for the office of insurance superintendent. They are J. W. Calhoun, St. Louis, former circuit judge who has strong fraternal connections and R. E. LaDriere, St. Louis attorney.

### Venell's Name Misspelled

In last week's issue the name of Henry J. Venell, who has joined the loss department of Rollins, Burdick, Hunter, Chicago, was misspelled.

### Firemen's Shifts on Coast

The Firemen's group has transferred William Waters from Los Angeles to Seattle as claims superintendent. He was formerly with Swett & Crawford. William Cundall, whom he succeeds in Seattle is transferred to Los Angeles and assigned to field work.

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## Price Control May Put Government in War Insurance

NEW YORK—Federal Price Administrator Leon Henderson's reported interest in hull war risk insurance as a factor in freight rates and hence in the prices of imports and exports has resulted in considerable discussion of the possibility of the government reinsuring hull war risk business in the event that losses become serious enough to warrant substantial boosts in the present level of rates.

Underwriters are not much pleased with the prospect, as the basis that is being mentioned is 100 percent reinsurance, leaving the underwriters only whatever their commission might be for the expense of handling the policies. War risk insurance may fluctuate, all the way from quite profitable to extremely costly. Consequently the underwriters, though they might be letting go of a desirable slice of business should the government take the risk, might on the other hand be getting rid of a potential headache.

So far it is only the hull war risk

rates that have come under discussion. Henderson's interest in insurance rates is due to the realization of the Office of Price Administration and Civilian Supply, which he heads, that control of prices of finished products must reach clear back to all the factors entering into manufacture and distribution.

A secondary consideration is that as cooperation with Great Britain becomes closer, Washington feels that it is more and more essential to the joint war effort to have this country's foreign trade on a basis that will mesh with the British system. Britain has a strict system of civilian price control.

### N. D. Federation Meets Sept 18

The North Dakota Insurance Federation will hold its annual meeting at the Dacotah Hotel, Grand Forks, Sept. 18. Ordinarily the convention is in June, but due to the crowded convention schedule this year, the later date was set.

Henry Pierce has been elected president of the Kalamazoo (Mich.) Association of Insurance Agents.

The Ohio Insurance department has licensed the Finnish Mutual Fire of Calumet, Mich. Matt L. Johnson of Ash-tabula, O., will be state agent.



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## NEWS OF THE COMPANIES

### Rupprecht Second Vice-president of Firemen's Group

Charles F. Rupprecht has been appointed a second vice-president of all the fire companies of the Firemen's group. He will be first assistant to Vice-president Herman Ambos.

Mr. Rupprecht was special agent of



CHARLES F. RUPPRECHT

the Commercial Union group in Illinois and Wisconsin prior to 1928. He was then appointed assistant manager of the Commercial Union on the Pacific Coast. In 1931 he was appointed assistant

United States manager of that group, located in New York. In July, 1938, he became assistant vice-president of the North America group. He left that company several months ago.

Mr. Rupprecht has a very thorough knowledge of fire underwriting conditions throughout the United States, having traveled in the middle west, on the Pacific Coast, and in recent years in the eastern territory.

### St. Paul's Premiums Are Up 20%

One of the few fire companies that regularly publishes the semi-annual figures is St. Paul F. & M. Its record, now available, indicates that the first half year was a handsome one for that company in respect of both insurance and financial operations. Its net premiums for the first six months of 1941 were \$8,073,859 or an increase of \$1,383,458 as compared with the writings for the first six months of 1940. That is an increase of roughly 20 percent. The premium reserve as at June 30 was \$10,577,267, an increase of \$566,350. Assets are \$50,134,962, an increase of \$2,064,342. Capital is \$10,000,000 and net surplus \$23,962,765, which is an increase of \$899,503.

#### Results for Mercury

The affiliated Mercury had premiums of \$1,332,345 during the first six months, an increase of \$233,514. Premium reserve was \$2,253,551, increase \$127,352. Assets were \$7,317,809, an increase of \$454,333. Capital is \$1,000,000 and net surplus \$3,360,172, an increase of \$206,874.

The premium increase of St. Paul is probably somewhat larger than the average. An increase of perhaps 7 percent

for regular fire business and an increase in total premiums of 15 percent is believed to be about the average.

### New Director of St. Paul Group

Roger B. Shepard of St. Paul has been elected a director of the St. Paul F. & M. group to succeed the late W. J. Dean. Mr. Shepard is a member of the board of the Federal Reserve Bank of Minneapolis, president of the St. Paul Community Chest and formerly president of a large St. Paul wholesale house.

## CHICAGO

### RESIGNS AS SPECIAL AGENT

Charles E. Johnson, special agent in Cook county for Milwaukee Mechanics for the past three years, is resigning Aug. 1. The post is being eliminated by the company. Mr. Johnson was with the company two years as a special agent in Columbus, O., before going to Cook county and prior to that was an underwriter in the western department in Chicago for five years.

### A. J. COUCH ON EASTERN VISIT

A. J. Couch of Chicago, resident vice-president of Standard of New York, spent the first few days of this week in New York and then went on to Hartford to confer with officials at the home office of Aetna Fire which recently purchased Standard and Standard Surety & Casualty. George Z. Day, president of Standard, returned Monday from a trip to Kansas City, St. Louis and Chicago.

### START CHICAGO PREMIUM FILINGS

General increase in Chicago fire premiums in the 12 months ended June 30 is shown in the affidavits filed with the city comptroller's office for the purpose of imposing the 2 percent premium tax for fire department maintenance. Some larger companies show 5 to 10 percent

advance in writings. A number, however, reported decreases. Figures so far filed, compared with the corresponding 1940 and 1939 totals, are:

Company	1941	1940	1939
Alliance Assur. \$	103	103	103
Amer. & For...	27,276	21,136	17,129
Amer. Drug...	41,183	39,321	38,953
Amer. Mut. ....	7,315	5,352	5,604
Assoc. F. & M. .	76	64	214
Badger M. ....	43,010	35,453	26,355
Blackstone M. .	9,419	8,703	13,459
Rhode Island M.	12,193	8,920	9,339
Br. & For. Mar.	2,222	853	.....
Cot. & W. Mf. M.	2,699	2,647	4,032
Charter Oak ...	14,818	3,066	5,180
Birmingham, Pa.	75,121	59,657	53,207
Enterprise M. .	7,315	5,352	5,604
Excelsior ....	3,602	2,323	2,258
Farmers, Pa. . .	22,138	17,716	22,065
Federal ....	20,731	18,611	19,929
Industrial M. . .	1,350	1,324	2,016
Natl. Un., Pa. .	88,878	116,120	100,487
Nat. Jewel. M. .	1,812	1,423	2,312
Newark ....	49,651	44,567	50,613
Northw. Nat. . .	318,371	307,932	300,333
N. W. Mut. ....	31,756	.....	.....
Mark, Men's M. .	6,386	5,655	5,498
Orient ....	114,731	103,972	130,775
Mchts., Col. . .	5,847	6,116	7,522
Marine ....	1,116	2,748	2,382
Mech. Mut. ....	7,316	5,352	5,604
Millers M., Pa. .	3,628	6,004	4,133
Mfrs. Mut. ....	12,193	8,920	9,339
Law, Un. & R. .	65,141	68,456	65,999
Lond. & Lanc. . .	119,272	124,947	128,014
Lond. & Prov. . .	14,555	35,946	41,367
L. & L. & G. . .	162,202	207,698	198,710
Lumb. M., Mass.	11,639	.....	.....
Republic, Tex. .	24,706	.....	.....
Royal ....	205,653	228,628	217,983
Rubber Mf. M. .	2,699	2,647	4,032
Safeguard ....	33,055	25,644	24,106
Sea ....	1,582	1,738	1,024
Standard, N. J. .	37,574	36,787	42,496
Seaboard F. & M.	29,841	28,747	23,276
State Mut. ....	14,632	10,704	12,207
Stand. Mar. ....	23,050	26,668	23,412
Star ....	45,379	50,274	48,042
Travelers Fire. .	157,124	132,109	120,685
Queen ....	88,392	85,520	88,505
What Cheer M. .	3,672	2,431	4,129
West. Mill M. .	.....	.....	.....
Mo. ....	2,815	4,983	6,998
Vigilant ....	37	.....	.....
Yorkshire ....	46,837	73,942	66,772

### NEW CRITCHELL-MILLER PARTNERS

Frederic D. Pellett and Lyman M. Drake, Jr., have been made partners in the Critchell-Miller Insurance Agency, one of the most prominent Chicago class 1 offices. Carl B. Rogers and Joseph Folkers now also have an inter-

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est in the business. All the new members have been associated with the agency for many years.

Lyman M. Drake, Sr., and Clarence S. Pellett are the senior partners in the agency, which for many years was known as Critchell, Miller, Whitney & Barbour.

#### RUFF NOW OPERATES ALONE

Arthur W. Ruff, who formerly operated as Ruff & Connors, with offices in the Palmolive building, 919 North Michigan avenue, Chicago, will conduct the brokerage office under his own name in future, the partnership arrangement having been dissolved last month. Mr. Ruff will continue to represent the Emmco insurance companies and will retain the offices he has been occupying.

## NEW YORK

#### VOLUNTEER FOR DEFENSE

Insurance Post 1081, American Legion, New York City, has called for volunteers from its members to act in any defense emergency which may arise, in response to an appeal from the fire commissioner. The volunteers will comprise a unit attached to a fire company in the insurance district. A quick response is expected, because such activity is natural of interest to insurance men.

#### AGENCY COLLECTIONS EASIER

If the fire companies are not receiving the increase in general business anticipated from the millions spent directly and indirectly because of the national defense program, at least they are finding it easier to collect agency balances now, and for that they are duly thankful.

There has been a heavy increase in the volume of insurance written, but in large part it has been on properties engaged in war manufacturing industries and the coverage is handled through the Factory Insurance Association, rather than by individual companies. Few of them would be able to take care of these lines.

## CALLED TO SERVICE

Lieut. A. H. Dutton, son of Lieut. Col. and Mrs. George L. Dutton, graduated with a class of 145 cadets from the advanced flying school of the army air corps at Stockton, Cal. His father was, until called to army service several months ago, Oregon field man of Connecticut Fire.

Thomas Decker, special agent of Home in San Francisco, has been called into army service as a reserve officer of artillery. He has reported to Fort Ord, where his brother R. W. Decker, also a special agent of Home, has been in service several weeks. Both are sons of Ray Decker, Pacific Coast manager of the Royal-Liverpool groups and former coast manager of the Home.

R. H. Griffith, Jr., special agent of Glens Falls in southern California, son of R. H. Griffith, Pacific Coast vice-president of the Glens Falls group, has been called to service in the army air corps and will be stationed at Hamilton Field in northern California.

Robert W. Van Beynum, who was on the editorial staff of THE NATIONAL UNDERWRITER in New York, has been assigned to the headquarters squadron of the 1st interceptor command, air corps, at Mitchell Field, L. I. He had been in New York since April and previously in the editorial department in Chicago. He is a son of C. W. Van Beynum, Hartford, advertising and publicity manager Travelers, who also served with THE NATIONAL UNDERWRITER.

Capt. John H. Chiles of Chiles, McCallum & Nagle agency, Austin, Tex., has been called to report to the construction quartermaster of the eighth corps at Fort Sam Houston, Tex.

## DuPage County Agents Hold Golfing Outing

The annual golf outing and dinner of the DuPage County (Ill.) Association of Insurance Agents was held at Ruth Lake Country Club, near Hinsdale, Ill., this week. The Chicago contingent of the Blue Goose had elected to hold its annual golf tournament there at the same time. Charles W. Ade, Chicago general agent, and W. B. Knox, special agent Loyalty group, carded the lowest net scores to qualify them to represent Chicago in the playoff with the winners in the Peoria and Springfield-Decatur puddles, which will take place at Champaign, Ill., some time this fall. The winner of this match will determine the grand Illinois Blue Goose champion.

The usual golfers' alibis were justified because 17 of the 18 greens were in process of reconstruction or under repair. The golf prizes were issued to winners following dinner. George Cassell, special agent Caledonian, won the Blue Goose first low gross and Mr. Ade the Blue Goose low net.

Prizes awarded by the DuPage County association were won by L. C. Thoelecke, manager Chicago metropolitan department Norwich Union, for first low gross; Byron Sommers, manager Chicago office Ohio Casualty, second

and low gross, and F. R. Nerger, guest, third low gross. Prize awarded on the Peoria handicap system went to Merle A. Read, Joliet local agent, for first low net; J. I. Johnson, superintendent bond department Aetna, second low net, and Harold W. Brown, manager agency department Maryland Casualty, third low net.

Blind bogey prizes were won by C. W. Schwendener, Ralph HOFFIE and K. R. Gallagher. High gross went to Charles C. Rauschenbach, assistant manager Ocean Accident, and high net to Otis R. Cushing, Hinsdale local agent, vice-president DuPage County association. Fredrick O'Brien of the O'Brien Insurance Agency won the attendance prize. In addition there were 21 \$1 cash door prizes issued.

G. C. Mochel of Downers Grove, association president, and Harold G. Schoen of Elmhurst, secretary, were in charge of arrangements and reported one of the largest turnouts for this annual event.

The Insurance Women of St. Petersburg, Fla., is a new organization with these officers: President, Sara B. Howarth, Bourne & Wade; vice-president, Corinne Campbell, Lawton Swan agency; secretary, Frances Gunn, L. D. Goheen agency; treasurer, Margaret Seekins, Foley-Carter Co.

## Washington Toll Bridge Case to Court Sept. 8

Suit of the Washington Toll Bridge Authority to collect a total loss from the 23 companies that insured the Tacoma Narrows Bridge will be tried Sept. 8 in superior court at Tacoma. Judge E. D. Hodge Saturday overruled a demurrer of the insurance companies, which contended there was no basis for the trial, since they were prepared to submit the dispute to appraisal in accordance with terms of the policy.

The state contends the bridge is a total loss and there is no need for appraisal. The case will be tried before Judge Hodge and the state has requested a jury trial. No ruling has been made on that point.

John J. Schiff, Cincinnati agent, will be married July 26 to Mary Reid, daughter of State Agent Earl A. Reid of the Manhattan Fire & Marine at the Community Church in Columbus, O. Mr. Schiff has just received a commission as ensign in the navy and is awaiting expansion of the navy supply department for assignment. He was graduated from Ohio University a few years ago and shortly thereafter established his agency at Cincinnati.

## American Equitable Assurance Company of New York

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## Globe & Republic Insurance Company of America

Established 1862

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INDIANAPOLIS

## EDITORIAL COMMENT

### R. M. Bissell's Chapter Completed

PRESIDENT R. M. Bissell of the Hartford Fire wrote the other day "Finis" to his life's chapter, a work of eminent proportions which in its finished form reflects great credit on this master hand.

Mr. Bissell was austere and reserved in manner, very much like his revered father. It was an inheritance running far back. Because of his mien he was considered exclusive, aristocratic, or, to employ a street term, "high hat." On casual acquaintance or chance meeting one might be justified in such a conclusion. To those who knew Mr. Bissell well he had a benign and sympathetic nature.

Even a close friend would not by any physical manifestation seek to convey sentiment of good will or intimacy. There are men to whom a hand on the shoulder or a pat on the back means affection. You would not have felt free to do so with Mr. Bissell. He was not the typical "good fellow."

Mr. Bissell's friends regarded him highly. His words carried weight. He was sincere and forthright. His counsel brought conviction. There was something of the majestic in his carriage and mental processes.

Mr. Bissell had a well rounded career. He knew his business thoroughly. His conclusions were based on logical premises. His long and rich underwriting and administrative experience made him an excellent counsellor. In conferences he was listened to with close attention because he spoke with authority and understanding.

Mr. Bissell believed in conducting insurance companies in an orderly way. He recognized rules, experience and logical processes. He was a builder but not of a plunging type.

Mr. Bissell's pledge was sacred. His word needed no bond as a guarantee. In organization work he displayed those salient qualities of leadership.

It was a long road from an obscure desk in the Chicago local agency of Moore & Janes to the chief executive's chair in one of our greatest company groups but all along the way R. M. Bissell adhered to a program that he considered based on wisdom and sound judgment. He closes his career of constructive building and service, one that can well be emulated by those who carry on the work that he handled so successfully.

### Why the Local Insurance Man?

Why the local insurance man? Have you ever stopped to consider that almost all our purchases of material things and services have to do with the needs of the hour? We buy them to use at once or in the immediate future. They become at once valuable. If we deal with a forthright and honest concern, and the object is not as represented, is defective or not right, we return it. We are on the spot to inspect it.

Not so with insurance. It is one of the very few purchases we make that does not inure to our benefit until trouble ensues. So long as there is no accident or loss one insurance policy is as good as another. It lies in a desk pigeon hole or safety-box in a dormant state. Let something happen, and it then blossoms into life and its worth then is apparent.

Other purchases are made in a normal state of mind for normal times. Insurance is bought to come into play in case some untoward incident happens. It may never materialize. The insurance man's chief service after the insurance program is constructed is dealing with the assured when trouble occurs. He is in a sense the family insurance

doctor whose experience, knowledge and human understanding make him a most useful individual. He must know just what to do, what counsel to give and how to look after the interests of his client. The policyholder is in a perturbed state of mind unless the loss is a minor one. He needs the helping hand at once. In his perplexed state he seeks assistance and needs to be assured that his claim will receive close attention and he should not feel apprehensive about the outcome. The assured has a friend at court, a resident of the community whose reputation rests on insurance service of a fine brand, character of the indemnity and his ability to handle all problems with intelligence. He is the liaison officer between the company and assured. He is acquainted with both. If he be a successful and forthright agent, his company respects him and his judgment, and will strain a point, if necessary, for him. He is at hand to get the most satisfactory company adjustment service. In these loss cases, the eyes of the community are upon him.

We have direct writing companies, whose wares are sold by salaried representatives who for the most part have

no interest in the community. They get an order and off they go. Or still more unfortunately, the policyholder may have dealt with the company by mail.

Many lines of insurance are complicated and require constant attention especially in these days of fast changing panorama, revised rules, forms and regulations. The alert local agent is on hand in the assured's own town to see to it that he receives immediate attention and gets the advantage of any new procedure. The direct writing company may be hundreds of miles away. The fleeting non-resident salaried solicitor took the order and his work is done.

May we add at this juncture that non-resident agents or brokers who secure countersignature service should emphasize the value of their local connection. The resident countersigning agent should be sufficiently compensated so that he will render needed service.

Some kinds of insurance require but little attention unless there is a claim but the resident local agent is close at

hand, day and night, to meet any contingency.

It is when trouble comes that the resident insurance man is particularly needed. He is the one who has studied his client's needs. He has recommended the program for him. He has written his policies in companies which he considers responsible. He has studied his policyholders' situation not on a brief trip but from a day to day observation. The direct writer's policy is good enough so long as no service is needed but its weakness is shown when a resident agent, a friend, is needed. He has saved something in his cost by dealing with the peregrinating solicitor but at the very time he needs attention the distant man is not at hand. It is then he realizes that the extra cost is well worth while. Any insurance is satisfactory so long as the policy is sleeping. A cheap variety is just as good as the best.

However, let the policy leap into life. Then its worth and that of the local salesman reveals itself. A policyholder in need wants a local man indeed.

## PERSONAL SIDE OF THE BUSINESS

**Ralph Tanger** of Chicago, western marine manager for Security of New Haven, sailed on the Q boat, Gloriant, from Racine, Wis., in the Chicago to Mackinac race leaving last Saturday.

**Stuart Ragland**, general agent of Travelers in Richmond, Va., has completed 30 years with that company. A member of the firm of Tabb, Brockenbrough & Ragland, he first obtained a contract to sell life, accident and group for the Travelers at Nashville in 1911, though actually his initial connection with the business began Dec. 8, 1907, when he was hired as an office boy by Blair & Tabb in Richmond, predecessors of his own present-day firm. Mr. Ragland has been president of the Virginia Association of Insurance Agents and the Richmond Insurance Exchange, is now on his second term as Virginia national councillor in the National Association of Insurance Agents and represents his state in the Southern Agents Conference.

**B. M. Engbretson**, Beloit, Wis., local agent and state assemblyman for two terms, has announced his candidacy for Congress to succeed the late Stephen Bolles of Janesville. He has served on the insurance and banking committees in the Wisconsin legislature, and has been effective in matters relating to insurance legislation.

**Jay W. Stevens**, San Francisco, chief of the fire prevention bureau of the National Board, has just become a grandfather for the fourth time, with the arrival of Caroline Jean Stevens, whose father is J. W. Stevens, Jr., special agent of Royal in southern California. Mr. Stevens, Jr., was already the father of J. W. Stevens, III.

**James T. Healy**, Houghton, Mich., has been appointed by Governor Van

Wagoner to the board of control of Michigan College of Mining & Technology in Houghton. He is special agent of the Springfield group in northern Michigan and also operates a local agency in Houghton.

Business associates of **C. D. Bogert**, vice-president and secretary of National Fire & Marine of New Jersey, in recognition of his 35 years with the company, tendered him a luncheon and presented him a set of matched golf clubs. National F. & M. is now in its 76th year and Mr. Bogert's connection with it covers almost half of the period.

During his recent trip to Honolulu, **John R. Cooney**, president of the Firemen's of Newark, saw the conclusion of a demonstration of navy flying efficiency, when 23 navy planes arrived there from San Francisco, reaching Pearl Harbor at intervals of about five seconds. They flew 2,200 miles in 14 hours in formation.

**James V. Montgomery**, son of C. J. Montgomery, local agent of Rock Island, Ill., was married to Miss Eleanor Gruenau of Davenport, Ia. James Montgomery is a radio announcer in Springfield.

**H. Edward Sayre**, president of Newhouse & Sayre, New York, was a visitor at the Chicago office last week, and J. J. Griffin, manager of the Philadelphia branch, was conferring in Chicago this week.

**J. W. Rickert**, president Monroe County Farmers Mutual and Monroe County District Mutual Windstorm of Waterloo, Ill., celebrated his 101st birthday this month. Mr. Rickert still goes to work regularly every day. He is a lawyer and while he has given up trial work, he still is quite active.

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## DEATHS

**James J. Murray**, 89, former head of the J. J. Murray Insurance Agency, Dubuque, Ia., which recently was changed to Murray & Son, died at his home following a brief illness.

**Woodbury Sanborn**, 72, veteran head of the Sanborn Insurance Agency, died at Sioux City, Ia., after a brief illness.

**E. W. Webster**, 45, local agent of Peterboro, N. H., and vice-president of the New Hampshire Association of Insurance agents, committed suicide by carbon monoxide poisoning. Soon after graduating from the University of New Hampshire he entered the agency of E. W. Jones. He became owner of the agency in 1934. He had been most active in the agents' association, serving as secretary-treasurer, and editor of "Granite State Chips."

**W. C. Lowndes**, founder and president of Lowndes & Lowndes, Baltimore, died after an illness of four years.

**A. H. Dinning**, head of A. H. Dinning Company, independent adjusters in Detroit, died after a long illness. Born in Quebec in 1872, Mr. Dinning spent many years in the insurance business before establishing the company at Detroit in 1914. One of the first independent adjusting organizations in the middle west, Mr. Dinning was active in fire and auto associations. The firm will continue under the same name with F. M. Clements as manager.

**George W. Morse**, 62, local agent of Boonton, N. J., died from a heart attack at his summer home in Capital Island, Me.

**B. E. Emory**, 67, local agent at East Orange, N. J., died at his home. Up to six years ago, when he established his own agency, he was for 27 years manager of the claim department of the Aetna Life in New York City.

**E. M. VanGuilder**, 71, Kansas City agent, died there.

**John R. Hancock**, 72, pioneer Dallas local agent and direct descendant of the Hancock of Declaration of Independence fame, died there. He was one of the organizers and became secretary-treasurer of the Austin Fire, which later merged with other companies to form the present Republic of Dallas.

**Frank W. McCurdy**, Philadelphia insurance agent, died there.

**Walter Van Orden**, 43, Pasadena, and **Robert McGuire Young**, 36, Los Angeles, both associated with the Los Angeles office of Johnson & Higgins were instantly killed in an airplane crash in Mission Bay, near San Diego. They had been to San Diego on business, and planned to return by plane but missed the regular ship and chartered a private plane with a veteran pilot. The pilot and a fourth man also were killed. Mr. Van Orden specialized in aircraft insurance. He formerly was manager of the Pacific Factory Association. Mr. Young had been with Johnson & Higgins since Jan. 1, previously having conducted an agency. Both were married.

**Alexander Myers**, 80, pioneer Seattle local agent, died at his home. He founded the agency of Alexander Myers & Co. in 1923 and was active head of the firm until his death. Two sons, Kenneth G. and Harold B., are active in the business.

**Mrs. M. L. Ayers**, early North Dakota newspaper woman and for 15 years associated with her husband in the Ayers Insurance Agency, Dickinson, N. D., died after an illness of a year. Mr. Ayers died last May 7.

**W. J. Gardiner**, 38, member of the Wichita Association of Insurance Agents representing the Stewart Young agency and a son-in-law of Mr. Young, died unexpectedly at his home. He was thought to have recovered fully from an illness that had confined him to the hospital for a short time in June.

Five copies of "Problems of the Smaller Estate" by Attorney G. B. Rogers cost \$1. Order from National Underwriter.

## Iowa Agency Celebrates 85th Year



A. C. Root

J. C. Root

C. L. Root

A. C. Root

CLINTON, IA.—The A. C. Root agency of Clinton, which boasts of never having contested a loss, observed its 85th anniversary recently.

The occasion was a surprise to A. C. Root, who has been owner of the agency for the last 34 years and has had over 42 years experience in the insurance business. Employees, company men and friends joined in the occasion by sending flowers, gifts, and messages extending personal felicitations.

Employees and guests gathered in the afternoon at the Root summer home

midway between Clinton and Davenport on the Mississippi river. Dinner was served at the Wyanoak Inn, located on a high bluff overlooking the river.

A special feature was the presentation of a plaque by R. P. Osier, Iowa state agent, commemorating over 61 years of representation of the Norwich Union Fire by the agency.

A. C. Root and his father have represented the Commercial Union and North British & Mercantile for over 50 years. Pictured above are his grandfather, uncle and father and Mr. Root.

## Company Wins Case on Renewal of Fire Policy

In Suit vs. Pacific National Fire, the Arkansas supreme court reversed the lower court and thus the company won. The plaintiff testified that several days before expiration, the agent, H. C. Maxon of Marianna renewed the policy on the same terms and amount on house and contents. The premium had not been paid but Suit declared the policy was in effect. The agent kept the policy in his file, notifying the assured of the fact. Assured had not communicated with agent as to renewal or payment of premium. Previous dealings had been on a cash basis so that there was no reason for the assured to believe credit had been extended.

Before premium had been paid the property burned. The agent informed Suit that the policy had been cancelled. Assured contended he had intended to avail himself of renewal within an alleged grace period. No such period was provided in the old policy or renewal.

The higher court held there was no acceptance of the offer to renew and the company was entitled to a directed verdict.

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**M**AN produced the modern automobile, sleek, streamlined and powerful. Controlled it contributes comfort, pleasure, profit and speed to modern living. Escaped from its driver's control it becomes a ravening monster with gleaming eyes and slavered jaws, prowling the nation's highways, maiming, torturing and destroying.

Laws and traffic regulations, aimed to protect our people from the cars they drive, have been passed and faithfully enforced. Safer cars equipped with every known safety device have been produced. But the slaughter continues.

At last all are agreed that the responsibility for safe driving must be pinned on the driver and not on the vehicle. As the first step in recognition of that responsibility, **LOYALTY GROUP** agents are equipped to help automobile owners and drivers provide intelligent insurance programs.

Insurance cannot prevent accidents, restore life, or replace severed limbs. But it can pay for material damages and assume the burden of medical and hospital expenses, loss of earning power, legal fees and damage suits.

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 I N S U R A N C E



# The NATIONAL UNDERWRITER

July 24, 1941

## CASUALTY AND SURETY SECTION

Page Eleven

### Political Spoils Out of Illinois Insurance Buying

#### New Situation Under Green Is Victory After Long Fight by Agents

The insurance producers of Illinois were much gratified to see the announcement the other day in behalf of Governor Green of Illinois that there is to be no insurance spoils during his administration. The new situation in Illinois is considered of wide significance. Agents and companies face the spoils system of insurance purchases in many other states and recognize that it not only cuts deeply into legitimate insurance business but also that the longer it is allowed to exist the more firmly entrenched it becomes.

Last week's announcement in Illinois confirms what had been general observation. Ever since Governor Green took office insurance men have had their ears to the ground to detect whether there was to be some favored insurance agency or agencies but they had been unable to discover that any particular agency had a pipeline to the State House.

#### Long Political Control

The announcement was particularly interesting because under the administration of Governor Horner political handling of insurance that was in the power of various agencies of the state to control was a bitter issue. As a matter of fact, the Republican insurance committee during the last campaign got a lot of its strongest support from brokers and agents who were aroused because of the insurance arrangements that had existed under the Horner regime.

The announcement in behalf of Governor Green was made by Gilbert Keebler, administrative auditor for the state.

"I know there has been a lot of talk about this person and that person getting state bonding business," Mr. Keebler was quoted as saying. "For instance, it is said Phil Collins, Chicago class 1 agent and chairman of the Illinois State Tax Commission, gets a lot of it. He doesn't get any. He wouldn't take any because it might embarrass the governor if he did."

#### Business Is Spread

"As a matter of fact, the only business paid for directly by the state is for the bonding of state employees. For this about \$7,500 a year is paid out in premiums on which someone gets a commission of 20 percent." Mr. Keebler listed some 15 agencies throughout the state that participate in this business.

As to contract bonds in connection with state work, the contractors are perfectly free to patronize whatever surety

(CONTINUED ON PAGE 18)

### N. Y. Plan Provides for Commissions

#### Producers Given Consideration Under Proposed Auto Assignment Plan

The proposed voluntary automobile assigned risk plan that would go into effect in New York Oct. 1, provides for payment of commissions to producers. A surcharge would be added to the premium to provide for commissions and field supervision, together with sufficient allowances for taxes on the amount of the surcharge. This would consist of a multiplier of 1.10 on long haul trucking risks and a multiplier of 1.15 on all others.

#### Details of Arrangement

No commissions or field supervision allowance would be payable on the premium for any risk assigned under the plan except as may be provided by a surcharge approved by the insurance superintendent for that specific purpose. For long haul trucking risks there would be paid 5 percent of the surcharge premium as commission to a licensed producer designated by the assured and 2½ percent of the surcharge premium as field supervision allowance to the insurer or to its licensed agent. For all others there would be paid 10 percent of the surcharge premium as commission to a licensed producer designated by the assured and 2½ percent to the insurer or its agent.

Commissions and field supervision allowances would be computed on the basis of the total premium charged and collected from the applicant. William Newell, 60 John street, who has general supervision over all the automobile assigned risk plans throughout the country, would be manager of the New York automobile assigned risk plan.

#### All Companies Must Sign

The plan would become effective when all insurers writing auto P.L. in New York have subscribed to it. It would apply to risks that in good faith are entitled to insurance and are amenable to the New York motor vehicle safety responsibility act and not specifically excluded therefrom.

Non-owners would be eligible for assignment if they are required to have a state license. No company would be compelled to write a policy for limits higher than \$5,000/10,000 P.L. and \$5,000 P.D. unless required by the safety responsibility law. A higher rate or minimum premium may be charged for particularly bad risks subject to the approval of the insurance superintendent.

The applicant within 60 days prior to the date of his application, must have been refused coverage in writing by three carriers. If the applicant or anyone who will drive the automobile has been convicted more than once or once each for two or more of 11 scheduled offenses during a three-year period immediately preceding the date of application, he would not be eligible. Disabilities, illegal registrations, failure to pay prior automobile insurance premiums and recertification of operators

### Upholds Right to Assess Subscribers

#### Md. Appeals Court So Rules in Case of Keystone Indemnity

The Maryland court of appeals has ruled that more than 4,000 Maryland corporations and individuals are liable for assessments totaling approximately \$611,000 to satisfy claims against subscribers of the defunct Keystone Indemnity Exchange of Pennsylvania.

The court upheld the ruling of a Baltimore city court in a test suit of Commissioner Taggart of Pennsylvania against Wachter, Hoskins & Russell, Inc. This defendant's assessment liability is \$791.23.

The reciprocal was placed in receivership May 18, 1933. The Baltimore court held that the Pennsylvania commissioner might proceed against Maryland policyholders for collection of assessments on policies issued April 9, 1929, to date of receivership, in an amount equal to one annual deposit premium on each policy issued in that period.

#### Liquidator Must Act

The contingent liability of the subscriber, the Baltimore city court held, was an asset of the exchange which passed to the statutory liquidator and that such liquidator is the proper person to prosecute the suit. The defendant had argued that the creditors were the ones to bring action rather than the liquidator. The court pointed out that the creditor would be helpless because of lack of evidence necessary to establish liability. It held further that if such liability was left to creditors to enforce, it would make a nullity of the statute imposing the liability.

Municipal Judge Raedy of the District of Columbia had, previous to the Baltimore city court ruling, handed down an opinion holding that the purchaser of a reciprocal policy is liable for the debts of the issuing exchange. This was in another case by Commissioner Taggart of Pennsylvania against a D. of C. concern with a Keystone policy.

Assets of the exchange amounted to \$8,000, and the commissioner has allowed policy claims totaling \$291,455. The maximum aggregate liability of policyholders is \$2,843,233.

license of applicants also are conditions of eligibility.

The risks would be assigned to companies by the manager in proportion to their auto P.L. premiums in the state. The manager will take into consideration exclusions under reinsurance agreements that are filed with him and also the facilities of the insurer for servicing the risk. Approved deviations are to be adjusted to the standard manual basis. The manager will use the adjusted premium writings and distribute risks accordingly.

The cost of conducting the plan will be determined periodically and apportioned to all insurers ratably.

(CONTINUED ON LAST PAGE)

### Liability Manuals Recast by Bureau, Many Changes Made

#### Now Six Manuals, New Coverages Incorporated, Drop Teams Section

NEW YORK—The National Bureau of Casualty & Surety Underwriters has completed the work of breaking the old public liability manual into six separate rule books. This week it sent out the new contractual liability, manufacturers and contractors liability and protective manuals and discontinued the old manual of liability insurance. The owners, landlords and tenants liability, elevator liability and product liability manuals, which complete the series, were also entirely reprinted.

Teams liability insurance, which had a separate section in the old manual, is now included as an owners, landlords and tenants coverage and rated in that manual. The number of teams classifications has been reduced from 22 to 10 and rates have been reduced about 6 percent for bodily injury and about 14 percent for property damage liability.

#### New Coverages in Manuals

Two lines which have been authorized for a year or so and written on a more or less individual basis are included in the new classifications. Grantors protective liability, covering against liability from defects in premises sold by the assured, is placed in the product liability manual. There are four classifications, with elevators being covered under a separate classification and excluded from the others.

Principals protective liability is covered in the new owners and contractors protective manual. This line is intended for newspapers and other businesses working through dealers whose status as employees or independent contractors is doubtful. There are two sections to this coverage, one covering liability to the contractors and the other liability for accidents caused by them. The manual sets up one classification for newspapers, with rates on a sliding scale for each newsboy, and another classification for other risks, with rates to be referred to the company.

#### Sickness Specifically Covered

The definition of bodily injury liability insurance in all the manuals has been changed to include sickness and disease. The additional interest rule now permits stockholders of a corporation to be included without additional charge on the same basis as executive officers and directors.

The landlords protective liability rule, permitting a 50 percent discount on coverage for the owner of property leased entirely to one tenant who is responsible for its operation, has been changed to require a written lease.

(CONTINUED ON LAST PAGE)

## Hold N. Y. Conference on Limited Accident Policies

NEW YORK—Officials of companies issuing limited accident and health policies who attended the conference arranged by the New York department, aimed at correcting features of these contracts which have drawn some criticism, displayed real interest in cooperating with the department's effort. The company men offered a number of suggestions and are working on plans which will meet the department's criticisms and those brought out at the recent meeting of the National Association of Insurance Commissioners.

The department's primary objectives are to give the holders of these limited contracts a much greater return for their premium dollar and to eliminate misleading sales promotion, whether in newspaper or radio advertising or in personal solicitation. While some types of limited contracts can show a loss ratio indicating that the policyholder is getting all he is entitled to, many policies produce an extremely low loss rate, the balance being used up in heavy overhead and distribution expense. Frequently there are several middlemen between the actual insurer and the seller. Charges of misleading sales promotion or solicitation arise mainly from failure to make clear the limitations which distinguish these contracts from the full-coverage type of insurance or from what the prospective purchaser might be expected to believe he would receive in benefits.

In addition, the department called to the company officials' attention the necessity of making certain that none but licensed men are allowed to solicit; arranging the typography and text of policy contracts in such a way as to minimize misunderstandings on the part of policyholders; seeing that the state where the application is taken receives the premium tax on current and past writings and that the policy fee is included with the premium in computing these taxes. The sale of policies in connection with promotional plans for selling goods, subscriptions to periodicals, and the like was also brought up.

Superintendent Pink opened the conference and presided for the first part of the session.

## Maryland Casualty in Chicago to New Quarters

The Chicago office of Maryland Casualty made its formal bow in new quarters on the 16th floor of the Continental-Illinois Bank building, 231 South LaSalle street, Monday. Over 500, including most of the casualty insurance people of Chicago and many from out of town, attended the opening throughout the day. John P. Keevers, resident vice-president, who designed the new offices, acted as host.

Edward J. Bond, Jr., president of the company, and William T. Harper, vice-president, attended from the home office. Among those from out of town were Lyle Gift, general agent at Peoria and president of the Illinois Association of Insurance Agents; Robert McBride, Wilson general agency, LaSalle, Ill.; E. C. Huhnke, Maryland Casualty manager at Minneapolis, and Otto Gaedke and Albert Miller of the Gaedke-Miller general agency, which has represented Maryland Casualty 30 years in Milwaukee.

The new quarters contain 35 percent more space than the former location in the Insurance Exchange. The new offices have full indirect lighting, acoustically treated ceilings, attractive rubber tiled floors which deaden sound and contribute both to comfort and efficiency. All the private offices have walnut paneling with new furniture to match. The management, underwriting, engineering, claim and medical departments are located in that order on one part of the hall and filing and supply divisions are on the other.

Offices of Rollins, Burdick, Hunter, general agents for Maryland Casualty, are on the same floor.



"I have an extra swell teacher!"

## Term Bonds Recommended for Public Officials

In a pamphlet on "The Advantages of Term Bonds for Public Officials," prepared by a committee named by the Towner Rating Bureau, the desirability of bonding public officials for their full term of office rather than for annual periods is convincingly set forth.

One advantage of continuity of coverage over that for an annual period, it is pointed out, is that "if the bonds were limited as to term to a period less than the tenure of office, there would be danger that through oversight a bond might not be renewed and a loss occur after the suretyship had lapsed. There also would be the probability that the authorities might not be able to determine exactly when a loss occurred."

An added advantage of the term bond, over the annual cover, it is stated, is the saving in premium, which is material. A study of the pamphlet by agents and brokers, for whose use it is especially designed, will be decidedly helpful in their quest for public official bond business.

## Gustafson Is Promoted to Assistant Secretary

Charles A. Gustafson was elected assistant secretary of American States. He has been with the company since last October, engaged in developing casualty, including workmen's compensation, occupational diseases, general liability, burglary and glass insurance.

Prior to going with American States, Mr. Gustafson was with Standard Accident for 12 years, six in the home office underwriting department and six as office manager and underwriter in the Indianapolis branch office.

The writing of the additional lines will be confined to Indiana for the year and will be introduced at a series of meetings.

## James W. Moyles Retires

SAN FRANCISCO—James W. Moyles, veteran coast surety executive, assistant manager of Hartford Accident in charge of surety since 1915, retires July 31. He has been in the business in San Francisco since 1903, starting

## Three Levels of Auto Rates in Chicago Region

Under the revised territorial setup in the Chicago suburban districts for automobile P. L. and P. D., there are now three general levels of rates. Practically all of the non-bureau companies have revised their territorial classifications to correspond to those recently promulgated by the bureau. These companies continue to charge their old class 3 for class 3 territory and class 7 rates for class 7 territory. What was formerly territory 1 outside of Chicago becomes territory 3 with its lower rates and much of what was territory 3 becomes territory 7.

There are in the first place the bureau rates, then there are the rates of Continental Casualty and American Automobile. Those two companies recently put into effect about a 7 percent rate increase in the Chicago and Chicago suburban territory. Then below that is the rate scale of practically all of the other non-bureau companies. By and large that scale is about 15 or 16 percent below the bureau rates, deducting the safe driver reward.

The bureau companies made the territorial change effective June 27, retroactive to May 1. Some of the non-bureau companies made the filing retroactive but are not advertising the fact particularly, while others did not introduce the retroactive feature at all.

## Would Finger-Print N. J. Motorists

NEWARK—Essex county police have requested Assemblyman Edgar Williamson, Jr., who is also assistant manager of real estate of Firemen's, to introduce a measure in the New Jersey legislature which would authorize finger-printing of driver license applicants. Insurance executives favor such a law. The state motor vehicle department, however, says the plan would greatly enlarge the personnel of the department at a huge expense to the taxpayer.

with U. S. F. & G. when surety was small in volume. Later he was with National Surety and Fidelity & Deposit. He served for years as secretary of the Surety Association and one term as president.

## Consider Revisions in N. Y. Financial Responsibility Law

Removal of the reporting requirement where property damage does not exceed \$25 and elimination of the prohibition against registering a sold or repossessed car involved in an unsatisfied judgment got most of the attention at the Alexandria Bay meeting which the New York legislature's insurance law revision committee held to determine what changes should be made in the Page-Anderson financial responsibility law, which goes into effect Jan. 1.

Motor Vehicle Commissioner Mealey spoke in favor of both these changes and urged a number of others which would clarify the law's intent. Mr. Mealey said the reporting requirement for accidents under \$25 would involve needless administration work and expense, since the law requires filing proof of financial responsibility only where property damage exceeds \$25, unless bodily injury is involved, in which case a report must be made even if there is no property damage.

### Provision Held Impractical

Mr. Mealey also said it would be impossible to enforce the ban on reregistration of cars which had been involved in accidents covered by the law and against whose owners there were unsatisfied judgments. A memorandum was presented on behalf of Commercial Investment Trust, one of the largest automobile finance companies, which pointed out the hardship that this provision would impose on bona fide lien owners of cars. He suggested that owners acquiring cars through repossession be exempted from the prohibition.

The reregistration ban was formerly in the New Hampshire financial responsibility law but when the law on which the Page-Anderson bill is modeled was passed in 1937, this was omitted because of the hardship and complications it had involved. However, some sponsors of the New York law were very insistent on its inclusion, holding that its omission would nullify the law's effect for many motorists who had only a small equity in their cars and would not be unduly concerned, probably refusing to insure unless the finance company required it. From an insurance point of view the question is not particularly important and probably most of the companies would just as soon see it eliminated from the law. It was not included in the original model bill sponsored by the companies.

Neither would there be much objection on the companies' part to eliminating the reporting requirement for accidents involving property damage only and in an amount under \$25. However, a suggestion made by Deputy Superintendent Thomas Cullen of the department would, it is feared, pull a good many of the law's teeth. This proposal was that where an accident involved only property damage the law would require no filing of proof of financial responsibility until a judgment had been returned but that reporting would be required regardless of the amount of property damage.

Assemblyman Russell Wright, chairman of the law revision committee and of the assembly insurance committee, presided. Another meeting will be held, probably at Bolton Landing, about the middle of August.

## N. J. Bar for Compulsory Cover

The Union County (N. J.) Bar Association, which estimates that only 25 percent of the automobiles in New Jersey carry liability insurance and says a large percentage of the states highways accidents come from the "jalopies," declares that a "compulsory liability insurance act would abolish these irresponsible motorists and give the public at large considerable protection."



## Johnston & Harder Gets Decision

### Verdict Against Mass. Bonding in Pittsburgh Agency Cancellation Case

The three-judge court of common pleas of Allegheny county in Pittsburgh has rendered a judgment of \$35,000 against Massachusetts Bonding and in favor of the Johnston & Harder agency of Pittsburgh. This is a case that has been followed closely by insurance people for the past several years. The case had gone to the Pennsylvania supreme court and was remanded to the court of common pleas. An appeal has been filed.

The suit was originally tried on the theory that the burden was upon Johnston & Harder to prove fraud, conspiracy and designed intent to seize its business. The supreme court held, however, that the agreement between Johnston & Harder and Massachusetts Bonding was such that proof of fraud and conspiracy was not the burden of the agency, that its burden was only to show there was a breach of contract on the part of Massachusetts Bonding. Johnston & Harder had represented Massachusetts Bonding as general agents for 19 years. The contract provided for 30 days cancellation notice by either party. There was a provision that the contract might be immediately terminated by the company for violation of or failure to comply with any of the conditions contained in the contract by the general agent. Massachusetts Bonding canceled the Johnston & Harder contract on Feb. 3, 1936, on the ground that the general agency had violated its obligations, principally through failure to pay its balances of October, 1935, on the date provided in the contract.

#### Security for Indebtedness

As security for an indebtedness to the company, most of the stock of the agency, which was owned principally by P. H. Johnston and D. L. Swank, was pledged to Massachusetts Bonding.

There was an operating contract between Johnston & Harder and a management company known as the Affiliated Agencies, Inc., and differences existed in connection with the operation of that contract.

Upon terminating its Johnston & Harder connection, Massachusetts Bonding opened a branch in Pittsburgh and employed Mr. Johnston as a broker, furnishing him with facilities for establishing contacts with policyholders. Affiliated Agencies and Hoover & Diggs, another party to the management contract, therefore, had to carry expenses in the way of leasing and equipping quarters.

#### Agents Body Interested

The Pittsburgh Association of Insurance Agents brought a complaint before the executive committee of the National Association of Insurance Agents, which after investigation stated that it was "unable officially to censure Massachusetts Bonding, but does express its regret that any insurance company should permit its relationship with its agents to become so involved and so unsatisfactory as to produce an instant separation that works harm to those having financial arrangements with such an agent."

The court of common pleas in its latest decision held that the cancellation of the contract was in breach of the contract although there was no actual or legal fraud or design or scheme on the part of Massachusetts Bonding to defraud Johnston & Harder. The "illegal" cancellation of the contract, according to the court, took away from and caused damage to Johnston & Harder of valuable tangible and intangible assets salable in the investment market at the time of the termination.

## Thirty-Year Man



W. T. HARPER

W. T. Harper, vice-president and agency director of Maryland Casualty, has just observed his 30th anniversary with the company.

He was presented a French mantel clock by resident managers and resident vice-presidents of the Maryland's branch offices. His associates in the agency division gave him a wrist watch.

Mr. Harper started with the Maryland as a clerk in the fidelity department. He became an underwriter, then assistant supervisor of the public official and depository department and in 1917 he was made manager of that department. He became agency director in 1934 and vice-president in 1935.

## May Drop Exclusion in Auto P. L. Form

NEW YORK.—With release of the revised standard automobile liability policy further delayed, it is reported here that Oil Administrator Ickes has asked the companies to remove entirely the exclusion of coverage in the event the insured automobile is used to carry passengers for a charge. It is considered likely that this will be done.

The request is apparently based upon the loudly advertised gasoline shortage in the east, due to a shortage of oil tankers. The argument is that employees should be encouraged to drive to work in groups, to save gasoline, and this should be facilitated by removing any possible trouble with their insurance, no matter what sort of financial arrangement is made.

There have been conflicting court decisions on the policy exclusion, mostly under the old form, which referred to "passengers for a consideration." Present manual rules call for a 10 percent additional premium to cover the hazard of transportation of fellow-employees, or employees of other firms, and the policy must be specifically endorsed.

#### Two Bills Signed by Ill. Governor

One of the bills signed by Governor Green in Illinois makes it unlawful for the owner or possessor of a motor vehicle to knowingly replace broken glass in his car unless it is an approved type of safety glass.

The governor also signed the amendment to the workmen's compensation act which provides a 10 percent increase in benefits on death from occupational disease or accident after July 1.

#### Extra for Fidelity & Deposit

Fidelity & Deposit has declared an extra quarterly dividend of \$1 a share in addition to its regular quarterly dividend of that amount, payable July 31.

## Garment Workers Plan Group Cover

Employers and union (CIO) garment workers throughout the country are considering the adoption of a group life, accident and health insurance plan similar to that which has been in effect since last July among Chicago union garment workers. Requests for such a plan have been received by the Amalgamated Clothing Workers of America (CIO) from Rochester, N. Y., Philadelphia, Baltimore, Milwaukee and other cities. It is said there are about 250,000 workers in the country who would become eligible to secure the insurance. Introduction of the plan in Chicago and elsewhere depends upon negotiations being undertaken with employers, who in most instances probably will be asked to bear one-half the premium cost, and also upon the securing of state licenses by Amalgamated Life & Health of Chicago. This stock company, formed a year ago by the workers to underwrite the Chicago plan, succeeded the old pension and unemployment insurance fund of Chicago garment workers which was started in 1923 and was automatically terminated when social security went into effect. The company would be the vehicle for the national plan.

#### Benefits That Are Proposed

The benefits provided in Chicago and contemplated elsewhere are \$500 life insurance in the yearly renewable term form, with the privilege of conversion to ordinary life on the American Experience 3½ percent basis, with full nonforfeiture values; \$10 weekly benefit for accident from the first day for 15 weeks, and 10 weekly sickness benefit for 15 weeks, with first week elimination. It also is hoped to incorporate hospitalization, but this will depend upon the ability of Amalgamated L. & H. to build up its funds. The old unemployment fund plan called for payment of 1½ percent of the workers' wages by employers and workers, or 3 percent in all. Rating of the proposed insurance would be on a sound accepted basis, and on experience of various groups. It was said that one national group would not be written.

The June 30 figures, according to M. B. Kerman, secretary, who is president of Amalgamated Trust & Savings bank, Chicago, institution owned by the workers, shows assets \$420,000, consisting of \$70,000 cash and \$350,000 U. S. government bonds. Capital and surplus each are \$200,000.

#### Has Large Potential Backing

However, the company has potentially large finances, since the workers' old fund, amounting to about \$6,000,000, which now is administered under a trusteeship, might be employed, it was said this week, to invest in the insurance company to make possible giving the desired benefits. Stock of Amalgamated L. & H. is owned by the trustees of the fund. Samuel Levin, manager of the Chicago joint board of CIO garment workers, is president of Amalgamated L. & H.

James J. Shoaff, examiner of the Illinois insurance department from 1933 until last March, is manager of the insurance company, and is its only official who receives a salary.

#### "Drive-Yourself" Bill Vetoed

BOSTON.—The bill enacted by the Massachusetts legislature which would require "drive-yourself" automobile companies to provide property damage insurance has been vetoed by Governor Saltonstall on the ground that it was "a form of special legislation on a subject matter of general policy."

#### Minn. Safety Meeting Aug. 8

W. H. Cameron, Chicago, managing director National Safety Council, and Harry A. Guilbert, also of Chicago, will speak at the summer meeting of the Minnesota Safety Council at Duluth Aug. 8. Safety aspects of the defense program will be discussed.

## Bankers Indemnity Legal Chief Was Widely Known



PAUL H. GUILFOIL

Paul H. Guilfoil, vice-president and general counsel of Bankers Indemnity, who died last week, was widely known among casualty men and was regarded as an especial authority in the field of workmen's compensation.

## Travelers Proves Field Undeveloped

Proof of the large undeveloped market for fidelity insurance has been furnished by Travelers in its first year in the bonding business. A full 61 percent of the commercial blanket bonds written in the past year were sold to insured who had not previously been shown the need for dishonesty insurance.

"We have been told so often that 90 percent of the field is unsold," commented Minturn T. Wright, Jr., chief fidelity underwriter, "that we are apt to put our tongue in our cheek at this seemingly wild guess. But a survey of the business we have done bears out our contention that there are many concerns which do not carry fidelity insurance and that these concerns can be sold."

#### Plan Okla. Casualty School

OKLAHOMA CITY.—Preparations are being made for the casualty and surety school to be sponsored by the Oklahoma Insurance Stock Insurance council at the Skirvin hotel, Oklahoma City, Nov. 17-21. Classes will be conducted on similar lines to those used for the recent fire insurance school.

Addison Sessions is dean of the school. Leslie Williams, U. S. F. & G., Oklahoma City, is chairman of the speakers committee.

T. E. Earp, Fidelity & Guaranty Fire, was named chairman of the membership committee of the council. J. B. Keating is chairman of the expansion committee.

#### May Require Deposit Box Cover

LINCOLN, NEB.—Attorney-general Johnson has advised Banking Superintendent Martin that it is within his authority to require bankers operating safe deposit boxes to take out insurance covering their liability to renters under a new law. A suit against the Martell State Bank, seeking to recover \$14,000 that a boxholder claimed was taken out of his safe, caused the legislature to pass a law which provides that bankers may make contracts limiting their liability to 300 times the annual box rental and excluding losses of money, jewelry and securities, either as bailment for hire or lessor and lessee. Previously the attorney-general had advised Director Martin that as liability was limited in the law, no insurance should be required.

## ACCIDENT AND HEALTH

### North American Revises Hospital Policy for Women

The North American Accident, which writes hospitalization coverage only in connection with time indemnity policies, has revised its women's hospital policy by making the maternity provision optional. While the experience on the whole has been satisfactory, it is felt that maternity claims have been out of line with the premium involved. Employed women have very rarely availed themselves of the maternity provision and most of these claims have come from dependent housewives. Under the new setup, the former class need not pay for this coverage unless it is desired and the cost will be shifted to those from whom most of the claims come.

Hospital coverage for women is now provided under four parts: (1) Hospital room (except for maternity) at \$3 per day up to 60 days, cost 75 cents monthly; (2) operation fees, \$5 to \$100 for specified operations, 75 cents monthly; (3) graduate nurses' fees, at home or in hospital (not for maternity), \$3 per day up to 60 days, 60 cents monthly; (4) maternity benefit, a flat sum up to 50, in reimbursement of expenses incurred in hospital incident to maternity, 75 cents monthly.

To carry Items 2, 3 or 4, at least one unit of Item 1 must be carried; one, one and a half or two units of Items 1, 2 and 3 may be carried.

The hospital policy for men is not changed in any way.

### Hospital Group "Not Insurer"

COLUMBUS—The common pleas court here, in a suit instituted by the Cleveland Hospital Service Association against the state treasurer, held that the association is not engaged in the insurance business. The service, the court says, is not indemnity and the corporation is not subject to the laws affecting the insurance business. Accordingly, the court finds, it is not subject to payment of the franchise tax.

### Harroll Dayton Secretary

Charles F. Harroll, Inter-Ocean Casualty, has been elected secretary-treasurer of the Dayton (O.) Accident & Health Association to fill the vacancy caused by the removal of Emerson Davis to Dallas to become Texas state manager of the Inter-Ocean.

The Dayton association plans intensive activities in September around the time of the life underwriters convention in Cincinnati. It is hoped to secure one or two high-light speakers who may be in attendance at that meeting and perhaps put on a one-day sales congress.

### Provident L. & A. in Big Gain

Accident and health premium income of Provident Life & Accident for the first six months of 1941 was \$4,152,000, a gain of more than \$500,000 over the corresponding period of 1940.

### Open New Chicago Sub-Agency

The Marks Agency has been opened at 100 North LaSalle street, Chicago, as a third sub-agency of the Mutual Benefit Health & Accident and the United Benefit Life under Redfield Associates, headed by C. Truman Redfield.

The Redfield agency will join with the Brink agency of Detroit in its lake cruise, Sept. 6-10, sending about 50 representatives to join the 150 or more from the Brink organization.

### North American's Eastern Rally

The Eastern Conference of the North American Accident will meet Sept. 12-13 at Pocono Manor Inn, near Wilkes-Barre, Pa. It is expected that about 125 agents will be in attendance. There will also be a sizable delegation on hand from the home office. There will be no

Pacific Coast meeting this year, as the coast leaders were included in the mid-west meeting at Excelsior Springs, Mo., in June.

The North American's total premiums for the first six months were \$2,392,000 and a \$5,000,000 year is expected for 1941.

### Vote United Capital Increase

Directors of the United of Chicago were authorized to increase the capital stock from \$200,000 to \$225,000 at a stockholders meeting. Plans for the increase were previously announced.

About 1,500 New Mexico state employees are now covered by an optional group plan providing hospitalization, surgery, sickness, accident and death benefits in Equitable Society.

## COMPENSATION

### New Massachusetts Bill Agreed Upon

BOSTON—Insurance interests opposed to labor's state fund referendum for a compulsory, monopolistic compensation state fund which will go on the ballot in Massachusetts in 1942, have finally combined their forces in favor of a new bill which calls for compulsory coverage but allows self insurance for those who meet certain requirements.

The bill has been reported favorably in the house and has every prospect of meeting with favorable consideration by the legislature.

Virtually 98 percent of Massachusetts employers would be affected by the measure. Exemptions are extended to employers of domestic workers, farm laborers, office help, railroad workmen, seamen, and religious and charitable establishments.

### Self-Insurance Provisions

Self-insurance can be provided in three ways: by posting \$10,000 to \$50,000 in securities with the state treasurer; by furnishing a bond; and by providing an indemnifying bond. Self insurance supervision would be placed under the state industrial accident board.

It is provided that the law shall be non-effective in case the state fund referendum measure of labor is accepted by the people in 1942.

The effectiveness of the new bill, however, lies in the argument it would present next year, when the referendum comes up for action, that the state already has a compulsory workmen's compensation act which applies to all employers and that there would be no need of another compulsory bill and particularly one which would put the state into the insurance business.

### Ask Opinion on "Cost Plus"

ST. PAUL—The Minnesota compensation insurance board has asked the attorney-general for a legal opinion on the legality of the "cost plus fixed fee" plan of the federal government on compensation insurance.

### No Funds for Responsibility Act

AUGUSTA, ME.—The Maine legislature enacted a new motor vehicle financial responsibility law, effective July 25, but unfortunately neglected to provide an appropriation for its administration. Secretary of State Robie estimates that it will require from \$40,000 to \$50,000 for the purpose. Despite the lack of appropriation he and Governor Sewall have directed the motor vehicle department to go ahead with plans, indicating that the governor and the council will try to dig up the funds to meet the initial costs.



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## CHANGES IN CASUALTY FIELD

### T. J. McDermott to Manufacturers

T. J. McDermott has resigned as vice-president of the Excess, a position he has held for the past 2½ years, to join Manufacturers Casualty in a responsible position. He has had many years of experience in both the primary and reinsurance field, starting with the Associated Companies in Hartford. A few years later he joined the Ocean Accident and 1930-39 was assistant manager of the casualty department of the Indemnity of North America in New York. Since 1939 he has been vice-president of Excess in charge of underwriting.

### Wilson and Livingston Are Named by Trinity-Universal

K. H. Wilson has been appointed eastern department manager at Philadelphia by Trinity Universal, his territory being eastern Pennsylvania, New Jersey, Delaware, Maryland and District of Columbia. He succeeds H. H. Bargar, who was called under selective service.

Mr. Wilson entered insurance in 1928 with Fidelity & Casualty at Harrisburg, Pa., and then was transferred to the underwriting department in the Philadelphia branch. He was appointed a special agent six years later in 12 Pennsylvania counties with office in Williamsport. Then in 1927 he was transferred to Harrisburg and given 10 additional counties to supervise. Mr. Wilson resigned in 1939 to go with Ohio Casualty at Harrisburg and over a year ago withdrew to join his father, L. H. Wilson in the agency business at Upper Darby.

Trinity Universal has opened a New-

ark branch with Robert Livingston in charge, to report through Philadelphia. He formerly was connected with American Surety at Newark.

### Eckhart with Globe Indemnity

Wilbur Eckhart has gone with Globe Indemnity as special agent in Indiana under George Clark. Mr. Eckhart, who spent some time in the home office of Firemen's at Newark, is a son-in-law of O. B. Brown, secretary Firemen's group, Chicago.

### Assistant Manager in Seattle

Sterling J. Stapp, for the past four years field assistant in the casualty department of Travelers in Seattle, has been promoted to assistant manager there.

## PERSONALS

Harold A. McKenna, resident manager Phoenix Indemnity, Chicago, is on a four-weeks vacation trip through the Pacific northwest, including Banff, Lake Louise and the Pacific coast states.

Maj. Trev Gillaspie of Lincoln, Neb., former agency supervisor for the Woodmen companies, has resigned as head of the Lincoln and Lancaster county Red Cross. He is now serving on the executive staff of the state military department, a position which now claims all of his time.

Cyrus C. Washburn, Pacific Coast manager Preferred Accident, who is president of the Accident & Health Managers Club of San Francisco, has been elected commander of Insurance Post 404, American Legion. He succeeds Henry Boos of the Pacific Board.

Hugh Higginbotham of the state compensation insurance fund, was elected first vice-commander, following withdrawal of Paul O'Dowd, regular nominee.

J. W. Reynolds, president of United Pacific, has been elected president of the Seattle Traffic & Safety Council. He was elevated to executive committee chairman last year.

O. H. Neely, casualty underwriter of the Dearborn National of Detroit, underwent an operation at Jennings Hospital last week and is reported to be convalescing nicely.

William E. Wright, adjuster associated with Ray W. Curran, Kansas City, died after an illness of several months. For several years he was counsel for the Missouri workmen's compensation commission.

## COMPANIES

### St. Paul-Mercury Premiums Up About 10%

St. Paul-Mercury Indemnity has issued its mid-year statement showing assets \$15,487,421, which is an increase of \$1,196,101 from Dec. 31. Capital is \$1,000,000 and net surplus \$5,472,623, which is an increase of \$479,992. There was an increase of nearly 10 percent in premiums, the writings for the first six months of this year being \$4,183,507 or an increase of \$374,067.

### Ill. Mutual Plate Glass Examined

Illinois Mutual Plate Glass, Berwyn, Ill., was examined by the Illinois department for the period Jan. 31, 1938, to Dec. 31, 1940. On the latter date the company had assets of \$52,218; liabilities of \$7,953 and surplus of \$44,264.

Examiners comment that the 43.1 ratio between admitted value of real estate

to total admitted assets is perhaps too high, but it does represent a decrease during the past three years.

The company, organized in 1918, operates in Illinois only, and writes only plate glass cover. Assured assumes a contingent liability equal to one time the amount of the annual cash premium. Premiums charged are 30 to 60 percent below normal rates, and the company retains full amount of this written. The maximum single risk now in force is approximately \$1,000. Most of the company's business is acquired through brokers, to whom commissions of 30 to 35 percent are paid. Secretary Gustav Klima who manages the company is paid 17 percent of gross premiums as remuneration for management.

Net premium income during 1940 was \$11,543 with losses paid \$5,457 and unearned premium reserve \$5,946. The company had no investigation or adjustment expense, but the underwriting expense was \$7,648. In 1936, net premium income was \$16,728 and assets were \$57,000.

### General Casualty to Build

MADISON, WIS.—The General Casualty plans to construct an office building here to cost \$65,000. W. B. Roys, president, asked the council for a change in the fire limits ordinance to permit changes on the site to provide room for the construction.

New Jersey Manufacturers Casualty has declared a regular 20 percent dividend, an extra 5 percent dividend, and a special extra 5 percent dividend, or a total of 30 percent on net premiums received on policies written between Oct. 1 and Dec. 31, 1940.

The Iowa department has licensed the Celina Mutual, of Celina, O., and the Minnesota Farmers Mutual of Minneapolis.

"Why Disability Insurance Is a Good Investment for You" booklets help sell accident and health. 100 copies \$2. Order from National Underwriter, 175 W. Jackson Blvd., Chicago.



# GENERAL REINSURANCE CORPORATION

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## Remarkable Career of R. M. Bissell

(CONTINUED FROM PAGE 1)

& Mercantile; Harold V. Smith, president Home; R. P. Barbour, U. S. manager Northern Assurance; W. Ross McCain, president of Aetna, and R. R. Martin, U. S. manager Atlas Assurance, all past presidents; and Esmond Ewing, vice-president Travelers Fire, president of E. U. A.

The National Board was represented at the funeral by J. K. Hooker, vice-president of Automobile; J. H. Vreeland, manager Scottish Union; W. B. Crutenden, president Springfield F. & M., and Peter J. Berry, president Security of New Haven.

### Details of Career

Mr. Bissell served Hartford Fire for almost 60 years. His father, George F. Bissell, was western general agent of Hartford Fire in Chicago at the time R. M. Bissell was born, June 8, 1862.

Upon his graduation from Yale University in 1883 he joined Moore & Jones, Hartford Fire local agency, and in 1886 he entered the company's western department in Chicago, becoming assistant general agent and member of the general agency. In 1903 he came to Hartford as vice-president. In 1909 he was made underwriting manager, and in 1913 he was elected president.

During his presidency assets of Hartford Fire increased from \$26,500,000 to \$122,000,000 in 1940, while premium income rose from \$16,450,000 to \$41,000,000. Hartford Accident, organized in 1913, now has assets of \$87,000,000.

### Other Companies

Other companies whose organization or acquisition came during the Bissell regime were New York Underwriters, organized in 1925; Citizens Fire, Hartford Live Stock, Twin City Fire, London (Canada) Fire, Northwestern Fire & Marine, Queen City, etc.

Mr. Bissell was president of Hartford Accident until August, 1934, when he became chairman of the board. However, in that post he continued as its chief executive officer, supervising the affairs of the company.

At his death he was president of Hartford Live Stock, New York Underwriters, Citizens and Twin City. He was also a director of Aetna Life companies and Connecticut General Life.

Mr. Bissell's contribution to insurance through his activity and leadership in organizations is equally as impressive as his career in private business.

### Service to Organizations

He served as war president of the National Board, 1916-1918. He helped organize the Eastern Underwriters Association and was its first president, serving from 1926 to 1928, when he gave way to Edward Milligan, president Phoenix of Hartford. From 1930 to 1932 he served as first president of the National Automobile Underwriters Association. He aided in forming the Insurance Executives Association and was for many years its chairman. He was active in the Western Union while in Chicago, helped organize Western Underwriters Association as its successor, and was an honorary member at his death.

During the world war Mr. Bissell headed the Connecticut defense council and served on the warehouse commission, the war industries board and the intelligence department of the U. S. army and navy.

It is not surprising that Mr. Bissell should have participated so extensively in the formation of organizations whose purpose is to produce harmony out of disorder. One of his most distinguishing characteristics was his ability to compose the differences of other men. He was able to see both sides of an issue and usually effect a "meeting of minds" that was fair and satisfactory to both interests.

He was a kindly man. Few men knew him in anger. He was a student of the business, and knew insurance in detail.

He would leave his office at a normal time, but often with a brief case of material which he liked to read in bed before going to sleep at night. To him this wasn't work, it was relaxation, and yet it was the sort of thing that kept him in the heart of the business for so many years. He never grew old in his thinking.

For some years, particularly since Mr. Bissell suffered a stroke, there has been considerable speculation in the industry as to who would succeed him as president of Hartford Fire. A number of names have been put forward at one time or another, but for the most part apparently their suggestion has been idle. As a matter of fact it is said that Mr. Bissell gave little consideration to the problem of a successor to himself, except possibly in the last two or three years. No "authoritative" rumor of succession has leaked out, however. One suggestion has been Charles S. Kremer, vice-president, as the "logical" successor. One thing that has made the "succession" a problem is that most of the top Hartford executives are in the same age bracket.

### Many-Sided Man

Officials of associations and of other companies had not only affection and esteem for Mr. Bissell but continued amazement at his organizing ability his seemingly limitless patience combined with the power of keeping things moving toward the goal, plus his absolute fairness and his refusal to seek any advantage whatever for his own company.

These qualities were nowhere better shown than in the evolution of the old Eastern Union into the Eastern Underwriters Association. This transition involved scores of meetings, many of them lasting until late in the evening. As presiding officer Mr. Bissell might have heard some points made 10 or 15 times at various previous meetings, but he still listened with interested attention. His courtesy was unvarying, no matter what the size of the company which the speaker represented.

A diplomat in the finest sense of the word, Mr. Bissell had the rare ability to work out a compromise of divergent views which was satisfactory to all concerned.

This quality and his patience were particularly noted by L. A. Candee in presenting to Mr. Bissell a watch, chain, and pencil set on his retirement from the Eastern Underwriters Association. Mr. Candee said:

"It was first suggested that the gift be made of gold, but it was concluded that this metal did not have the enduring qualities of platinum, which was so synonymous of Mr. Bissell's work in the beginning of this organization, in which he had to display the enduring qualities of a metal like platinum."

### Standard Accident Club Elects

At the annual meeting of the Ten Year Club of the Standard Accident the following officers were elected: President, Miss Helen Wilson; vice-president, Hal White; treasurer, Mrs. Charlotte Sadler, and secretary, W. L. Alexander.

Miss Wilson, who is employed in the safety engineering department at the home office, has been with the Standard for 21 years. She is the fourth woman to be elected president of the Ten Year Club. The club was organized in 1934, and its membership includes those who have served the company for 10 years and over.

### Seek to Collect from Assured

COLUMBUS—The Ohio department has taken steps to collect from 5,882 policyholders of the American Underwriters Mutual Casualty of Cincinnati \$130,162 in amounts of mostly \$20, \$30 and \$40, the largest being \$2,873 against Aeration Processes, Inc., of Cincinnati. The department has had the company under liquidation since March 13.

It's the unexpected

# CATASTROPHE

that "upsets the apple-cart" for the Self-Insurer!

There is a definite need for "Excess" Insurance to cover the over-load of risk.

If you have lost premium income because some of your accounts have become self-insurers, remember this: Most companies, large enough to self-insure against ordinary, "average" risk, could not stand the financial strain of a catastrophe. That's why practically every self-insurer is a prospect for "Excess" coverage.

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## Standard Accident Issues 1941 Football Schedules

The Standard Accident is distributing copies of its annual football schedule listing more than 100 leading colleges and universities. The schedule is probably the earliest compilation of football dates of the leading teams to be issued this year.

As in other years, the 1941 schedule is vest pocket size and indexed for ready reference. Advertising copy on the inside cover headed "For a Strong Defense," stresses: "In football, a dependable kicker is the backbone of a strong defense. Likewise, sound insurance and bonding protection is necessary for adequate defense of an individual or a business."

## Baseball Players in Remote Control Golf Play

More than 10,500 persons throughout the country participated in the second remote control golf tournament of Indemnity of North America. This is now to be an annual event. Agents of the Indemnity Company and their friends played on different courses throughout the country on a certain day in accordance with an elaborate set of regulations. Ed. Dudley, chairman of the P. G. A. tournament committee, directed the tournament.

Among those who played in the tournament were several professional baseball players including Paul Derringer of the Cincinnati team, who had a net score of 72, handicap of three. Carl Hubbell, of the New York National League team had a net of 72, handicap 10. Gabby Hartnett had a net of 70, handicap 7. Mel Ott had 78, with 10 handicap and Joe Moore had a net of 74 and a 9 handicap.

These men played on the Western Hills Country Club in Cincinnati, having a day off because of a postponed baseball game on account of wet weather.

## Value of X-Ray in Claims

At a meeting of the San Antonio Claim Men's Association, Dr. J. A. Watts told of his observations on accidental injuries where claims for damages were filed, over a period of 26 years. He explained the use of the x-ray in determining the character of an injury and explained the value of x-ray examinations.

## New Coast Specials for Aero

LOS ANGELES—A. C. Harris, Pacific Coast manager of Aero Insurance Underwriters has named three special agents. N. K. Masten has been placed in charge of the San Francisco office. W. H. Rowlands and C. A. Winsor will assist Mr. Harris in the Los Angeles office.

E. F. Goelzer, superintendent of the engineering department of Associated Indemnity since its organization in 1914, is dead. Previously he had been associated with the late C. W. Fellows in the Royal Indemnity and served as the first safety engineer of the California state compensation fund when Mr. Fellows became its manager. He was known as the dean of safety engineers on the Pacific Coast and was outstanding in his knowledge of compensation rate technique and application.

### WANTED

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by Bureau Company Branch Office to work in Chicago and vicinity. Give full details in first letter, including salary expectation. Address N-78, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

### WANTED

#### CASUALTY UNDERWRITER

for middle west business by American stock company opening western office in Chicago. Excellent opportunity. In reply please give age, nationality, experience, etc. Address N-77, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

## Packwood Chairman for A. & H. Mid-Year

KANSAS CITY—F. Glenn Packwood, manager Massachusetts Bonding, has been named general chairman on arrangements for the mid-year meeting of the National Association of Accident & Health Underwriters in Kansas City next January.

The selection was made by the officers and executive committee of the Kansas City Association of Accident & Health Underwriters at a meeting Monday at which company supervising agents and branch managers had been invited to sit in, most of them being present at the conference.

A committee has been appointed to recommend personnel of the convention committee and other conferences will be held for decision on the personnel.

## California Agents Vote to Increase Education Work

LOS ANGELES—Directors of the California State Association of Insurance Agents at a meeting here after hearing reports of committees, particularly those on the educational program and regional meetings, voted to continue and enlarge these activities. The "fictitious fleet" situation, company adherence to the "Guiding Principles," the farm situation, and the reviving of local exchanges and associations were subjects discussed.

President Harry Perk, Jr., Los Angeles, presided. Frank Colridge, Oakland, executive secretary, handled arrangements.

California Institute of Insurance, a subsidiary of the state association, is to have charge of the extended educational program. Harold Callis, Santa Barbara, past president, reported as chairman of the education committee, telling of the success of classes held last year in Oakland, Sacramento and Santa Barbara, and that additional agents have applied to take the course in these three cities. The board decided to hold sessions of the course in six additional cities, to be selected by the board.

Chairman Ralph Bach of the local association committee reported and the board voted to have prepared a program for regional meetings that will lead to the revitalizing of local exchanges and associations.

The agents hope to confer with companies on fictitious fleets. Chairman Hank Thiesen of the farms committee reported that after conferences with the Pacific Board many readjustments of rates and rules were made which resulted in recovery of a large premium volume by board companies. Manager Samuel L. Carpenter, Jr., of the Pacific Board spoke on cooperation between the board and the committee.

## Kemper Companies' Schools to Begin Next Week

Representatives of Lumbermen's Mutual Casualty and American Motorists Company who attend the 1941 agent's training schools will have five days' schooling in 37 subjects.

"Insurance men need to know how to give the best protection and obtain the most business in the least amount of time more than ever before," J. S. Kemper, president, said.

"Opportunities for new business, and for increasing coverage on old business, are springing up on all sides and yet the man-power in many agencies is probably less than it was last year, due to the urgent needs of the defense program."

"In our training schools we are preparing to give our agents the extra knowledge and selling tools necessary to handle this situation."

The first school opens next Monday in the Edgewater Beach hotel, Chicago. The school for eastern Lumbermen's agents opens Aug. 4 at Garden City Ho-

tel, Garden City, L. I., and for eastern American Motorists agents, on the same date at the Whitman Hotel, Jamaica, L. I.

The Kansas City (Kan.) Association of Insurance Agents held a joint outing with the realtors at the Victory Hills Golf Club, about 45 agents and their employees attending.

## Convention Dates

July 23-25, Mississippi agents' school, Jackson.

July 24-25, Insurance School of the South Carolina Association of Insurance Agents, University of South Carolina, Columbia.

July 25-26, Upper Peninsula Agents, Ironwood, Mich.

July 28-30, Federation of Insurance Counsel, Saranac Inn, N. Y.

Aug. 11-12, Washington Agents, Tacoma, Winthrop Hotel.

Aug. 14-15, Oregon Agents, Portland, Multnomah Hotel.

Aug. 17-18, Idaho Association of Insurance Agents, Idaho Falls.

Aug. 26-28, Blue Goose grand nest, Asheville, N. C.

Sept. 3-5, International Association of Insurance Counsel, White Sulphur Springs, W. Va., Greenbrier hotel.

Sept. 8-9, Insurance Advertising Con-

ference, Hershey, Pa., Hotel Hershey. Sept. 8-10, International Claim Association, Atlantic City, Ambassador Hotel.

Sept. 9-10, Iowa Agents, Cedar Rapids, Montrose Hotel.

Sept. 11-12—Michigan Agents, Grand Rapids, Hotel Pantlind.

Sept. 11-13, Minnesota agents, Kahler Hotel, Rochester.

Sept. 15-16, Montana agents, Billings, Commercial Club.

Sept. 15-16, Pennsylvania Agents, Shawnee-Delaware, Buckwood Inn.

Sept. 16, Vermont Agents, Woodstock Inn, Woodstock, Vt.

Sept. 16-17, Western Underwriters Association, White Sulphur Springs, W. Va., Greenbrier Hotel.

Sept. 18, North Dakota Insurance Federation, Grand Forks, Dacotah Hotel.

Sept. 19, N. Y. Insurance Federation, Rochester.

Sept. 19-20, Wyoming agents, Casper.

Sept. 25-26, Wisconsin Agents, Milwaukee, Hotel Schroeder.

Sept. 24-26, Kansas agents, Salina, Lamer Hotel.

Sept. 24-26, New Jersey Agents, Asbury Park, Berkeley-Carteret Hotel.

Oct. 3-4, Colorado agents, Denver, Shirley-Savoy Hotel.

Oct. 6-9, Joint casualty convention, White Sulphur Springs, Greenbrier Hotel.

Oct. 6-10, National Safety Congress, Chicago, Stevens Hotel.

Oct. 12-16, National Association of Insurance Agents, Kansas City, Muehlebach Hotel.

## What should an Agent expect from a Company?

First, he should expect that his company will back him all the way under the terms of the policies he writes . . . He should expect a claim department that settles claims quickly, courteously, satisfactorily . . . He should expect the company to be strong enough to fulfill all obligations assumed under its policies. Finally, he should expect **ADEQUATE COMMISSIONS FOR HIS EFFORTS.**

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## THE OHIO CASUALTY INSURANCE COMPANY

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## Political Spoils Out of Illinois

(CONTINUED FROM PAGE 11)

companies and agencies they desire. Mr. Keebler cited the record during the six months of the Green administration to indicate that the bond business has been completely scattered.

This achievement in Illinois may encourage insurance men in other states where political insurance obtains. Much credit for success of the effort is given to the insurance committee. This body was constituted in 1936 to back the candidacy of Wayland Brooks for governor. Mr. Brooks lost out in his race for the governorship, though he later was elected United States senator.

At that time the insurance committee circularized everyone in the insurance business in Illinois, enclosing a return card pledging support of Mr. Brooks or of any subsequent candidate who promised to eliminate political control of insurance. More than 10,000 pledges were secured, and this list constituted the nucleus for the insurance committee's activity then and subsequently. The committee, while carrying on under the Republican banner would have supported a Democrat had it been able to obtain a pledge of support for its objective from a Democratic candidate. Illinois insurance men are convinced it is necessary to get such a pledge from a man who will keep it once he is elected.

Two years later the committee backed Mr. Green when he was running for mayor of Chicago, and at that time he gave the committee the same pledge that now in his governorship is bearing fruit.

### Burras and Clarkson

Charles H. Burras, president of Joyce & Co., was chairman of the committee in its first campaign in 1936. In the 1940 campaign John S. Clarkson of Bartholomay-Darling-Clarkson Co. was chairman.

The committee started off as a group of 12 to 15 representing the larger offices. They underwrote the expenses of the committee at the time it was organized. The committee then solicited a campaign fund, and received a number of contributions, many of them for as little as \$1 from agents, clerks, etc. The committee had continuity. It has aggressively pushed the man and the idea. The situation in Illinois has been righted because the insurance interests continued over a long period their efforts to get a man in office who would return the insurance business to its normal channels.

The insurance committee will continue, turning its attention to municipalities with insurance spoils systems.

The pledge obtained from Mr. Green when he ran for governor was definite and well considered. It is an interest-

ing document and is given herewith:

"To whom it may concern: As a candidate for the Republican nomination for governor of the state of Illinois, I desire to place on record my views regarding the business of insurance. Boiled down to the fundamental principles of law, they are as follows:—

"1. I am unalterably opposed to recent trends toward centralizing regulation of all business in the federal government at Washington. I believe the system of state regulation of insurance is definitely preferable to federal regulation.

### Oposes Political Abuses

"2. I am aware of the size of the insurance business in money, and of the importance of the business and its bearing on the lives of the citizens of Illinois. I believe the importance to be such that the office of insurance commissioner should be filled by a person of high experience and caliber, and that the insurance department should be protected from the destructive operation of partisan politics.

"3. I am unequivocally opposed to the use of the power of a public office as a means of diverting insurance or any other business out of its normal, naturally established channels and into the hands of political favorites. If elected governor, I will oppose such abuse of public office to the utmost."

### LATE FIRE NEWS

#### State Official Emphasizes Tax Payments of Companies

After receiving many inquiries regarding taxation of insurance companies in California, George R. Reilly, member of the state board of equalization, has outlined in detail the payment of taxes by insurance companies in the state since 1853. This, he hopes, will overcome some of the public's underestimation of the tax load carried by such companies.

He points out that collections in 1940 as reported by the U. S. Bureau of Census were more than \$103,000,000, constituting approximately 3 percent of total state tax collections. Insurance taxes are second in importance to public utility taxes. The first tax on a gross premium basis was imposed by California in 1862, and in 1903 the state began imposing a 2 percent tax on net premiums. The present rate of 2.6 percent became effective in 1921 and today yields approximately 5 percent of total state revenue. Receipts are expended for education, social welfare, relief, etc.

The 1941 tax, just assessed, affects

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## Ackerman Appointed Connecticut Dean

NEWARK—Laurence J. Ackerman, professor of insurance at the University of Newark, has been appointed dean of the new school of business of the University of Connecticut, Storrs, Conn. He will assume his new duties in August.

Trained at the business school of the University of Pennsylvania, Mr. Ackerman has become one of the most popular and outstanding of the younger insurance educators. He has worked closely with the insurance fraternity and for several years has been educational director of the New Jersey Association of Insurance Agents and the Life Underwriters Association of Northern New Jersey. He has supervised the extension program of the New Jersey association, under which classes have been conducted throughout the state, and which has been highly praised at several meetings of the National Association of Insurance Agents.

### Agents Reciprocity Bill

BOSTON—Governor Saltonstall has signed a bill permitting agents and brokers licensed in other states to come into Massachusetts to write policies provided they are licensed in states which extend this privilege reciprocally to Massachusetts agents and brokers.

### Second Fire Institute

The American Mutual Alliance will hold its annual institute of fire insurance for agents and salesmen at Charlotte, N. C., Sept. 8-10. J. M. Eaton, assistant general manager, will be in charge.

The first institute was held at Pittsburgh last year and was highly successful. Another strong faculty and program are being lined up.

### More O'Malley Trouble

ST. LOUIS, MO.—After waiting six months for Circuit Judge Sartorius to rule on a motion to set aside his order dismissing a bribery charge against R. E. O'Malley, former Missouri insurance

superintendent, Circuit Attorney Hennings has applied to the state supreme court for a writ of error, to reinstate the case on the circuit court docket.

Direct Reading Rate Finder & Cancel-Intor for calculating earned and return insurance premiums \$2. Order from National Underwriter.

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# POINTERS FOR LOCAL AGENTS

## Some Important Phases of Automobile Coverage

H. E. Barnhart of Buckman-Mitchell, Visalia, Cal., in an address to California agents on some phases of protecting clients, said:

"With reference to automobile insurance, take a firm that owns both pleasure cars and trucks. In order to protect its investment, direct damage insurance, or fire and theft coverages, preferably comprehensive on the pleasure cars, and some form of collision must be carried. The greatest advantage of comprehensive coverage, rather than fire and theft, is that it gives protection against all losses, the unexpected as well as the usual and expected. Instead of a few enumerated perils, the insured has insurance against all losses, with a few definite exceptions. Important examples of comprehensive losses paid which would not have been paid under other forms are: attempted theft, malicious damage and losses which are properly embezzlement or conversion, rather than theft. There have also been hundreds of 'freak' losses, all of which meant damage to the automobile and all of which would not have been covered except under the comprehensive policy.

### Interesting Case Is Cited

"I cite an instance of the value of comprehensive coverage in the claim of an insured who drove his car to an airport and parked behind a tri-motored plane which was standing on a gravel runway. Mechanics started the plane motors to warm them up and a shower of gravel removed the paint from the side of the car, nicked the body and marred the glass so that it had to be replaced. The damage was \$250. From the standpoint of the automobile owner it is evident that the broad comprehensive policy which covers such perils as fire, theft, windstorm, earthquake, strike, riot and civil commotion, explosion, flood and other material damage is much preferable to straight fire and theft coverage. Of course comprehensive applies only to passenger automobiles, so we should not overlook protecting commercial automobiles with a fire and theft coverage.

### Collision Insurance

"Collision insurance covers for injury or destruction of the automobile, provided the damage is caused by accidental collision with another object, or by upset. In our territory, collision insurance on a retention basis, in some instances on a participating basis, is gaining favor. Under the retention plan the insured pays only one-half of the premium for full collision coverage at the inception of the policy. The other half or retention he does not pay until he has a claim. Once the retention is paid, he has full coverage for all subsequent losses.

"This plan tends to eliminate small claims and still gives full coverage against large losses. Deductible coverages of from \$25 to \$100 are common, and serve a purpose, as they tend to minimize carelessness in driving and still provide financial assistance in case of an expensive loss. From the buyer's standpoint the retention form should be carried, because it is more economical than full coverage and is a better coverage than the deductible form in the event the insured is so unfortunate as to have more than one loss during a year.

"The advantage of fleet coverage

should not be overlooked, as automatic coverage is granted, and for the purpose of economy, automobiles added to or canceled from the policy are subject to a pro rata calculation. Substantial savings in rates are available.

"Bodily injury and property damage liability are the most important forms of insurance to be carried on an automobile. Under bodily injury liability, the company agrees to pay all sums which the insured shall become obligated to pay by reason of the liability imposed upon him by law for damages, because of bodily injury, or death, sustained by any person or persons, caused by accident and arising out of the ownership, maintenance or use of the automobile. Property damage covers for damages because of injury to or destruction of property, including loss of use.

"This firm is a growing business institution. Assets and surplus have increased from year to year. For any given amount of uninsured loss of any kind, the effect upon its financial affairs is the same, whatever may be the cause of the loss. Whether its \$45,000 building burns down without fire insurance or whether because it has no automobile public liability insurance, and has to pay a judgment of \$45,000 out of surplus, the cost is the same. It is \$45,000 in either case. It is therefore evident

that the reason for carrying fire insurance on the building is the same reason as that for carrying public liability insurance on the cars.

"Public liability insurance will not only pay any judgment against the insured, assuming he has sufficient policy limits, but the company agrees to defend any suit against the insured alleging injury or death or destruction of property, even if the suit is groundless or fraudulent. It also agrees to pay all premiums on bonds to release attachments or to appeal the case.

"This firm carries adequate limits of liability that will provide full protection against any casualty. A review of recent suits and awards of judgments by juries of this day and age will prove conclusively that the standard \$5,000/10,000 limits for bodily injuries are insufficient. The policy limits cannot with safety be based upon the usual size of judgments that may have been awarded in the lower courts. Limits should be determined rather by the size of judgments that have been granted by the higher courts, the appellate courts and United States courts. Any judgment of a lower court may be appealed, and likely will be, where the conditions surrounding the accident seem to the claimant to justify that course—where the claimant's income, age and injuries point toward possible larger damages than awarded by the trial court.

"It is evident that when a judgment is rendered against an insured and beyond the limit of his policy, there are two possible courses open: The company may pay its share and the insured

his share and close the case. Or, if the assured has no money, and no property to be attached, the company may declare itself ready to pay its share, the remainder of the judgment standing unsatisfied against the insured.

"Or an insured in order to avoid payment of the excess judgment beyond the limit of his policy, may wish to appeal the case, in the hope of a reversed decision or reduced judgment. If the case is appealed, an appeal bond usually for double the amount of the judgment must be furnished. If the company consents to the appeal, it will furnish the appeal bond, if not, the insured will have to furnish it, if he can qualify or has collateral. In a recent case an injury was caused by a motorcycle operated by an employee of a drug company. The claimant sued and received judgment for \$10,000, an amount far in excess of the defendant's policy limit. A motion for new trial was denied. The insured decided to appeal the case, but found that a bond of \$32,000 was necessary. This the insurance company refused to furnish, and the insured could not supply the necessary collateral. The insured then filed a voluntary petition in bankruptcy, and was forced out of business.

"The cost of increased limits is nominal, \$25,000/50,000 limits may be purchased at an increase of only 27 percent over the standard limit premium, while \$50,000/100,000 limits are only 5 percent higher than \$25,000/50,000.

### Should Have Sound Protection

"The need of purchasing liability insurance in a sound company cannot be denied. The company should be chosen with the thought that it will be in business many years from now. A judgment obtained by a claimant when he attains legal age cannot go unpaid due to the fact that you were insured by a company at the time of the accident, which has since gone out of business.

"A Chicago man, visiting in Iowa, was served with a summons in a suit for \$5,000 for injuries on account of an automobile accident. He recalled that several years previous there had been an accident in Iowa, which he had reported to his insurance company. The insured called up his insurance broker, but found that his insurance company had gone out of business several years before. Its current business was reinsured, but all previous claims were left to the retiring company to take care of the best it could. The original company was liquidated and the receiver claimed mere notice of the accident was not adequate presentation of the claim in receivership proceedings. The policyholder had to pay out \$1,500 cash to settle the claim.

"Insurance should be bought and sold for the protection it affords, not because the policy may be bought at a cheap price. A comparison of policies and financial strength of companies is the real test of the value in automobile insurance. A company whose policy agrees 'to pay' is worth a lot more than policies agreeing to 'insure' or 'indemnify.' Such policies may require the insured to pay the loss, then seek reimbursement. The company has no liability until the insured pays the judgment. Some policies provide protection only when the insured automobile is being legally operated. Think of the loopholes from technical violations."

## A. I. U. Opens Havana Headquarters



Staff of the American International Underwriters and Insular Underwriters of Cuba in the gateway of the quarters of the recently established regional office in Havana, Cuba.

Over 300, including government officials and insurance executives in Cuba attended the opening of the new offices of the American International Underwriters and the Insular Underwriters of Cuba, in Havana.

The American International Underwriters in Havana, will supervise business in Latin America and the West Indies while the Insular Underwriters of Cuba will concentrate on Cuba.

C. V. Starr, president and chairman of American International Underwriters, New York, made the trip by plane to Havana. Commenting on the functions and purposes of the new office, Mr. Starr characterized trade between Latin America, the West Indies and the United States as increasing despite many handicaps. Concurrently, he said, there is a growing demand for insurance and reinsurance in American companies. To give effective service in this field the organization decided to centralize direct supervision in Havana. The Havana office, because of its geographical loca-

tion and its competent Spanish-speaking staff, will give the type of service that will help promote mutually profitable commercial relationships and good will between the Latin America and the United States, he said.

The staff is headed by executives with extensive experience in international insurance. George A. Moszkowski, who will be senior director and speaks seven languages fluently, has been associated with the A. I. U. since 1920 and was formerly president of the A. I. U. in New York.

The senior administrative responsibilities will rest upon Edward F. Pimley, who over a period of ten years with the organization in Shanghai, was bookkeeper, clerk, inspector, assistant underwriter and branch office manager. He then became manager for the Philippines.

Chief underwriting assistant is Juan B. Fuentes, until recently manager of the A. I. U. of Cuba. Alfred Weber of the New York office will handle the accounts and Harold Fearon, treasurer at

New York and a co-director of the new organization, will make quarterly audits.

Lawrence E. Gilbert, recently in the marine department of the A. I. U., and prior to that with the Marine office of America, has also been transferred to Havana as a co-director.

## Good Neighbor Gesture by Hail Insurance Man

Price K. Johnson, assistant manager of Cravens, Dargan & Co., Houston, recently went to Torreon, Coahuila, Mexico, as advisor on hail insurance to the Pequeña Propiedad Agricola de la Comarca Lagunera. The Mexican insurance company, which is the only one in the Republic writing hail insurance on growing crops, had run across several unusual problems and called for help in solving them.

Pincipal crops of the Laguna region, which takes its name from large lakes, are wheat, cotton and alfalfa, most of them grown on irrigated land. A large dam is being constructed at Palmito, 125 miles up the Nazas river from Torreon, which will increase the area under cultivation along with the writing of hail insurance.

## U. S. Branches Bolster Aid to Britain Loan

(CONTINUED FROM PAGE 1)

that, for a period of time, dividends the American directors of such companies may declare in the usual course of business will be deposited with the Federal Reserve Bank in New York for servicing the loan.

The equivalent in sterling of these dividend dollars the British government will deliver to the parent insurance or industrial companies in England whose stockholders thus will receive their sterling dividends as usual.

To the same end, the United States branches of British insurance companies will deliver to the Federal Reserve Bank in New York such portions of the branches' interest earnings as the insurance superintendent may authorize after first satisfying himself, as usual, that complete protection of companies' American policyholders has been maintained. The industrial companies also will deliver to the bank a suitable share of their earnings.

There have been deposited, as further collateral, shares of American industrial corporations the market value of which is about \$205,000,000. The British government owns these shares.

It was stated both the U. S. and Britain are interested in assuring that the strength and soundness of the companies are maintained. The insurance companies have thus been able to contribute to the defense effort without disturbing their normal commercial relations.

## Miss Mowry with Horton

Miss Joyce Mowry, former assistant to the secretary of the National Association Independent Insurance Adjusters at Wichita in the office of Executive Secretary W. H. Moore, has taken a similar position with L. A. Horton of the Horton Claim Service, Oklahoma City, who was named executive secretary succeeding Mr. Moore at the recent Dallas convention. Mr. Moore is now vice-president in charge of the fire division.

## Hear Banker at Wichita

WICHITA, KAN.—The Wichita Association of Insurance Agents had W. B. Harrison, president of the Union National Bank, as guest speaker. He described the huge growth of the Wichita airplane industry, four factories now being engaged in defense contracts totaling over \$200,000,000. Vice-president Earl Woodward presided in the absence of President Victor G. Henry.

## Murdock Host to Employees

A. E. Murdock, secretary North British, entertained employees of the New England department of the company at his summer home at Lake

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Hopstcong, N. J., last week. There were about 35 present.

## Field Men Honor Neiley

New York suburban field men of the Royal-Liverpool groups held a farewell luncheon in New York this week for G. F. Neiley, who resigned as assistant U. S. manager to become manager of

the Eastern Underwriters Association. Mr. Neiley formerly supervised this field. H. A. McIlroy was toastmaster and presented Mr. Neiley with a desk set.

## Louisiana Actuary Dismissed

NEW ORLEANS—W. J. Farber has been dismissed as assistant secretary

and actuary of the Louisiana Casualty & Surety Rating Commission, a position he has held since its organization. His successor has not yet been named. His dismissal was entirely on a political basis.

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Notable Program for Iowa Agents

CEDAR RAPIDS, IA.—The program for the annual convention of the Iowa Association of Insurance Agents to be held here Sept. 8-10 has been announced by Lyle Jefferies of Clinton, president of the association.

The outstanding guest will be the National association president, Payne H. Midyette, who will talk the afternoon of Sept. 9 on "Our National Association."

The executive board will hold its meeting Sept. 8 with the annual get-together party that evening. The convention will open the morning of Sept. 9 with C. P. Jervy, assistant secretary of Travelers Fire, scheduled to talk on "Business Interruption Insurance." Aviation insurance will be discussed by Jules B. Guinotte, manager of Aero Insurance Underwriters in Kansas City.

Afternoon speakers in addition to Mr. Midyette will be Ray L. Dubois of Indianapolis, state agent North British & Mercantile, and W. J. Davis, assistant manager Automobile Protective & Information Bureau, Chicago.

The program for the morning of Sept. 10 will include discussions on inland marine insurance by V. W. Souders, marine manager in the western department of Fire Association, Chicago; casualty insurance by John H. Ezlof, supervisor agency field service, Travelers, and R. C. Larson, field supervisor of Aetna Casualty.

### Installment Term Plans Banned in Ia.

DES MOINES — Commissioner Fischer has ruled that insurance may not be written at a term discount unless the full premium is paid in advance or at least the prevailing rate of interest paid on any installments. The ruling specifically refers to the practice of writing three or five-year policies at term rates payable in three or five annual installments, which it calls the "Russian plan." It states that it does not apply to uniform rate reductions which are not discriminatory, pro rata term insurance or customary credit for not more than 90 days.

Considerable insurance has been written on the term installment basis and in some territories it has been authorized for certain classes, particularly public properties.

### Name Additional Speakers for Upper Peninsula Meet

Additional speakers have been announced for the annual convention of the Upper Peninsula Association of Insurance Agents to be held July 25-26 at Ironwood, Mich. On the afternoon of the second day, E. L. Krenzin, manager claim division Maryland Casualty, Milwaukee, will outline "What the Claim Department Expects of the Agents." C. S. Williams, Jr., special agent Aetna Casualty, Milwaukee, will treat the medical payments endorsement to automobile liability. Walter Bremer, assistant liability superintendent Hartford Accident, Chicago, will speak on "Contingent Liability." "The Agent's Duty in Event of Loss" will be the theme of Walter Hansen of Western Adjustment. A discussion will follow each speech.

The forenoon session of the second day will feature the Michigan association with President David A. Forbes, Secretary-Manager W. O. Hildebrand

and other members of the executive committee. Officers will be elected and next year's meeting place selected at the final afternoon session.

### Indiana Agents' Meeting Set for Indianapolis Oct. 28-29

INDIANAPOLIS—At a meeting of directors of the Indiana Association of Insurance Agents, the annual meeting of the association was set for Oct. 28-29 in Indianapolis. About 50 members were present.

The present difficulty in handling compensation insurance in Indiana because of the unfortunate result of attempted regulation at the last legislature was discussed at length. A very complete report on the situation was made by H. J. Hadley, of the Hadley-Mahoney Co. agency, Indianapolis. Because the compensation rating bureau is operating on one basis and the law enacted at the last session of the legislature contemplates another basis, companies apparently are incapable of concerted action. Much time and thought has been given to discovering a solution for the scrambled situation but thus far without result.

### Wisconsin Legislation Summarized

MILWAUKEE—Over 100 bills affecting insurance were introduced in the Wisconsin legislature this year, of which 26 were enacted into law, the Insurance Federation of Wisconsin reports. Among the bills defeated were compulsory automobile and state compensation fund measures.

Among the subjects covered in the bills enacted are: Municipality treasurer's bond limits; insurance on financed automobiles; requiring that there be five or more insurers to organize actuarial or inspection bureau; requiring membership of certain companies in an actuarial bureau; requiring a new mutual company to have 400 applications, and cash amounting to \$50,000; requiring town mutuals to file a schedule of rates and all changes; permits town mutuals to set the time in which the insured must pay the share of losses; no group accident and health insurance policy shall be issued without the approval of the insurance commissioner; enables insurance commissioner to approve special rates for compensation on defense projects.

### Omaha Rate War Halted

LINCOLN, NEB.—The Nebraska department has been advised that an abrupt end has come to the rate-cutting war in Omaha which developed when the Metropolitan Utilities District, operating gas, water and ice plants, asked for bids on complete insurance coverage. The stock companies had made a survey for readjustment of rates, but before the negotiations had proceeded far, the mutuals came to the front with a proposal to write the business at a tenth of the board rate. At that time the department entered the picture. Shortly afterward the mutuals withdrew their offer, and the district settled the matter by referring coverage details to the local association, which followed the usual rule of allocating the business on the basis of taxes paid the city.

### Will Revise Nebraska Code

LINCOLN, NEB.—Revision of the state insurance code has been definitely decided upon by the two committees now engaged in statute revision. One of these was created by the supreme court to revise the code of civil procedure and the other by the legislature to make a complete revision of existing statutes. To avoid duplication, the work of re-writing the insurance code will be turned over to one or two experienced

insurance attorneys, who are expected to contact insurance interests generally and to receive suggestions from company executives. The present code was written in 1913, and the only additions to it have been through legislative enactments, one law at a time. Under the method indicated for adoption of the revision, the whole code will be up for approval or disapproval.

### Hail Losses Heavy in Minnesota

MINNEAPOLIS.—Hail adjusters put in the busiest week of the season this week following a severe and widespread storm that struck Minnesota July 17. Hundreds of claims were filed by farmers, town residents and automobile owners. In one locality alone, at Lake Minnetonka, more than 100 claims were filed.

Near Worthington, in southwestern Minnesota, crops in an area three miles wide were flattened by hail and wind. Alexandria, in west central Minnesota, reported a strip two miles wide ruined. In many cases farmers claimed 100 percent loss on their crops.

Wind that accompanied the storm also did much damage to farm buildings.

### Racine Groups in Joint Meeting

BURLINGTON, WIS.—The Racine County Association of Insurance Underwriters and the Racine Insurance Board held a joint meeting at the Colonial Club on Brown's Lake near here, with Sidney Nelson presiding for the county group and Jack Rowlands for the local board. Grover Miller, president Wisconsin Association of Insurance Agents, spoke on the coming short course at the University of Wisconsin, July 28-Aug. 2, and Raymond Eggert, local agent, discussed liability insurance.

### Help Employes Buy U. S. Bonds

The Lawton-Byrne-Bruner agency of St. Louis has adopted a payroll allotment plan to enable employes to purchase United States savings bonds and has published a special booklet to make it clear. Participation is optional and the company has selected Series E bonds as the ones best fitted to the plan. The employe has but to determine the denomination of the bond he wishes and the amount to be deducted each pay day and then fill out the authorization form in the booklet.

### Fox Largest Insurance Buyer

ST. PAUL.—John Fox, since 1933 with the Federal Land Bank of St. Paul, has been placed in charge of its insurance department. He will handle approximately \$900,000,000 in coverage on farms on which the land bank carries loans. This business is placed among some 700 companies and there are at present about 325,000 policies outstanding. This makes Mr. Fox the largest insurance buyer in this part of the country. The St. Paul bank serves Minnesota, North and South Dakota, Montana, part of Wisconsin and Michigan.

### Iowa Mutuals Merged

Reinsurance of the business of the Progressive Mutual of Waterloo by the Monarch Mutual of Cedar Rapids has been approved by the Iowa department. The Progressive Mutual wrote fire, wind, hail and automobile. It had net premiums of \$21,922 and net losses of \$7,042 last year, with a surplus of \$2,500. The Monarch has been writing only automobile coverages. Its 1940 premiums were \$27,745 and losses \$15,984.

### Official of Ia. Mutual to Prison

S. A. Wallace, 46, former secretary of the Monona County Farmers Mutual, Onawa, Ia., was sentenced to five years in prison following a plea of guilty to charges of larceny by embezzlement. Wallace signed a confession following

his arrest last month. An audit by examiners of the Iowa department disclosed a shortage of \$14,085. He still faces a forgery charge which is scheduled for the September term.

### Hoosiers Get Service Gifts

William A. Coleman, Warsaw; Warren E. Oliver, Warren, and Ralph E. Parker, Fairmount, Indiana agents who have represented Ohio Farmers for more than 25 years, were recently honored by the company. At special meetings, State Agent J. E. Miller presented them bronze statuettes of the company trademark.

### Detroit Association Growing

DETROIT—A 20 percent increase in membership in the Detroit Association of Insurance Agents in the first six months of this year was reported at a directors' meeting, with President E. S. Karrer, presiding. Twelve new members were received at this session. The directors selected President Karrer and Elmer Salzman, executive secretary, as the official delegates of the association to the National association meeting in Kansas City.

### NEWS BRIEFS

Lillian Ames has been elected president of the Sioux City, Ia., insurance women. Marie Lydon is first vice-president; Adah Lothrop, second vice-president; Gladys Cassidy, secretary-treasurer, and Lorraine Carlson, corresponding secretary.

Miss Ruth Quamme of the Minnesota insurance department will be married July 26 to Leslie Hencir of St. Paul. Members of the department staff gave a party for her.

The offices of Homer Warren & Co., are being moved to the 6th floor of the Dime building, Detroit.

The Rock Island, Ill., association will hold its annual picnic at the Rock Island Arsenal Golf Club, Sept. 11.

J. F. Knudson, veteran local agent of Redwood Falls, Minn., and former mayor there, is ill following a stroke.

The Mark Bridges agency, Norton, Kan., is being continued under the direction of Mrs. Bridges and her daughter, Betty, since the death of Mr. Bridges.

## EAST

### Pennsylvania Agents Plan Convention Program

Plans are shaping for the annual convention of the Pennsylvania Association of Insurance Agents to be held at Buckwood Inn, Shawnee-on-Delaware, Sept. 15-16.

There will be business sessions each morning and informal conferences with state association officers in the afternoons. A breakfast conference for local board officers will initiate the convention. There will be pre-convention meetings Sunday of the directors and various committees. Outstanding agency, company and organization men will appear on the program.

### Boston Prize Awards Made

The Insurance Library Association of Boston has awarded its cash prizes to students completing their work with high marks in the April examinations of the Insurance Institute of America.

Of the students completing the fire insurance course this year, none received the qualifying mark of 85 percent required for the \$50 first prize offered by the Boston and no award of that prize was made. Awards made from the Boston prize fund were \$30 to Beatrice S. Warner, Federal Mutual and \$20 to

Georgia G. Firkey, Lumbermens Mutual Casualty.

The \$50 offered by E. C. Stone of the Employers group to students in the casualty course receiving the highest marks was awarded as follows: \$20 to J. K. Castle of the Employers; \$20 to T. P. Watkins of the Employers; \$5 to H. C. McEwan, Liberty Mutual, and \$5 to D. L. Twiss, Employers.

The Massachusetts Bonding offered \$50 to be awarded to students completing the suretyship course with the highest average. While the average marks of the group taking the examinations were high, but one person passed the examination with a mark of 85 percent or over. The committee, therefore, voted to award a prize of \$25 to T. P. Watkins.

#### "Fun-Day" in Trenton, N. J.

TRENTON, N. J.—The annual "fun-day" of the Mercer County Association of Insurance Agents, in which the Middlesex and Burlington County Associations joined, was held at the Forsgate

Country Club, near Trenton. It was attended by more than 100 agents and the feature attraction was the golf tournament. A dinner was held in the evening, with entertainment.

#### NEWS BRIEFS

The annual banquet of the Insurance Society of Philadelphia will be held Feb. 9, 1942. Ernest E. Lindner is general chairman.

The Allaire & Son agency, Red Bank, N. J., now headed by H. M. Farrow, president of the New Jersey Association of Insurance Agents, will start its 50th year Nov. 16.

D. F. Brettschneider, for many years with E. J. Richardson & Son, Baltimore, is now associated with Kroh & Miller. He is secretary of the Binder Club of Baltimore.

With W. C. Hays as president and E. J. Gilman as treasurer, the agencies of Mr. Hays and Dow & Pinkham, Portland, Me., have combined and will be continued as Dow & Pinkham.

point a program committee for the annual convention, May 21-23, to devise ways and means of getting better attendance at the meetings as well as to prepare the program.

The desirability of permitting employees of stock companies who do not operate through the agency system to attend the 1941 school to be held in Jackson was debated. It was decided that the school should be open only to members of the association, their employees, and the employees of companies which operate through local agents.

#### Plan Library Association Outing

ATLANTA—The annual outing of the Insurance Library Association of Atlanta will be held Aug. 13, at the Brookhaven Country Club. Lewis Baker, America Fore, is director of the tennis tournament, while Fred Smith, Fireman's Fund, is in charge of golf. George Smith, Hartford Fire, is general chairman.

Insurance Institute classes conducted by the Insurance Library Association attracted 87 students, 70 of whom passed the tests. Ten students were graduated, having completed the four prescribed courses.

Harold A. Boney and Miss Mary E. Erwin were graduated magna cum laude. Mr. Boney won the Charles A. Bickstaff award, given in honor of the late southern manager of the Fireman's Fund.

#### Nashville Women Plan Extension

NASHVILLE, TENN.—The Nashville Association of Insurance Women has appointed an extension committee, headed by Mrs. Hilda Lafever, to endeavor to form similar women's organizations in other Tennessee cities. A group of Chattanooga insurance women, who attended the recent short course school in Knoxville, plan to form a local association.

The July meeting of the Nashville association was addressed by George Raines, Fire Companies Adjustment Bureau, on the comprehensive auto policy, and E. H. O'Connor, agency manager of the accident division of the Provident Life & Accident.

#### Thomaston Celebrates Victory

THOMASTON, GA.—At a celebration here, the city's Junior Chamber of Commerce and its fire prevention committee were given high praise for winning the state and national fire prevention contest sponsored by the national junior chamber and judged by the National Board. Thomaston had the best record in cities of less than 20,000 population.

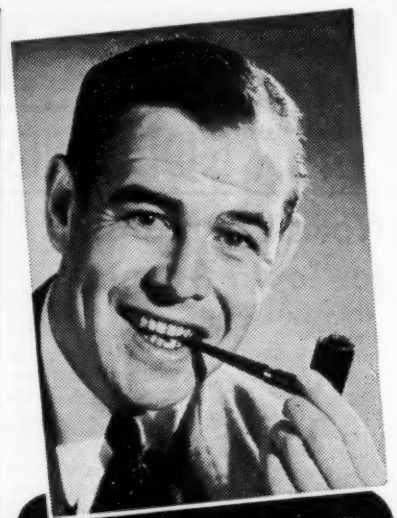
Rutherford L. Ellis, president Georgia Association of Insurance Agents, and Lon Sullivan, secretary-manager, were the principal speakers.

#### Coast Underwriters Gather at Spa

The Mississippi Coast Underwriters Association held a social meeting at Ramsey Springs at which 35 members enjoyed fried chicken and entertainment.

#### Local Agents Gather at Tupelo

The Northeast Mississippi Local Agents Association held a meeting at the Tupelo Country Club and was feted



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## IN THE SOUTHERN STATES

### Full Short Course Program for South Carolina Agents

COLUMBIA, S. C.—An intensive two-day short course is being sponsored here by the South Carolina Association of Insurance Agents with the cooperation of the extension division of the University of South Carolina, July 24-25.

The program is a full one, starting off with fidelity bonds, E. B. Gill, assistant secretary Glens Falls Indemnity, instructor; automobile liability, H. D. Sherwood, assistant supervisor agency field service, Travelers; the fire contract, Felix Hargrett, secretary Home; inland marine, what it is and how to sell it, H. W. Melville, manager marine department American group; commercial blanket and blanket position bonds, Mr. Gill.

#### Local Firm Host

McCants & Riley, Columbia, will be hosts to agents attending the school at a supper Thursday night. Mr. Sherwood will discuss garage liability insurance in the evening and Aetna Casualty & Surety will present its film, "Word Magic."

On the second day, Mr. Hargrett will discuss fire forms; Mr. Melville, jewelry, fine arts and the personal property floater; Mr. Gill, production ideas on blanket position and commercial blanket bonds; Mr. Sherwood, non-ownership and comprehensive automobile liability; Mr. Hargrett, use and occupancy; Mr. Melville, transportation, contractors' equipment, and general inland marine.

### Border-Straddling Town Causes Legal Muddle

The location of the town of Bristol which straddles the Virginia-Tennessee state line, is responsible for a legal muddle in connection with a fire insurance case. The two-state case has been carried to the Virginia supreme court by United States Fire, which seeks an injunction against co-holders of a policy to prevent further prosecution of a suit brought by them in the chancery court of Bristol, Tenn. The United States Fire in its petition said the question was whether the case, instituted in Tennessee, to recover the face amount of a \$2,000 policy on a building on the Virginia side of the boundary, was a proper case for enjoining Virginia citizens from prosecuting a suit in Tennessee.

### Much Interest in Alabama School: Attendance Down

BIRMINGHAM, ALA.—A registration of 133, with 95 agents granted certificates for completion of the course, marked the second short course school of the Alabama Association of Insurance Agents at the University of Alabama. The attendance was about 100 short of 1940, attributed partly to the draft and to the inability of some agents to get away from their business, but this was made up in the unusual interest shown.

The daughter and son of Dean L. J. Thomas of Dothan took first honors. The daughter, Beatrice, had high score 98.1 percent and the son was not far behind. C. A. Spencer, special agent Fidelity & Casualty, Birmingham, was third highest. Secretary Ed H. Moore reported local agents turned in higher average grades than did the special agents, who undertake sometimes to "tell us how to run our business."

Members of the faculty were: Hunter Brown, Pensacola, Fla., agency management; T. F. Cass, assistant secretary Indemnity of North America, automobile bodily injury and property damage; J. H. Dillard, Atlanta, superintendent automobile department Fireman's Fund, automobile theft and collision; J. H. Dittman, vice-president U. S. F. & G., burglary insurance; W. L. Falk, manager brokerage department Royal-Liverpool groups, essentials of salesmanship and a complete program for the assured; Felix Hargrett, assistant secretary Home, the fire insurance contract; C. A. Harris, assistant manager Alabama Inspection & Rating Bureau, use of the standards; Parks Hunt, vice-president Hurt & Quin, Atlanta, general liability; H. W. Melville, manager marine department American, inland marine, and O. R. Smith, F. W. Williams agency, Meridian, Miss., fidelity bonds.

#### Mississippi Directors in Confab

JACKSON, MISS.—The directors of the Mississippi Association of Insurance Agents, meeting in Jackson, considered the adoption of the standard fire prevention ordinance for all cities and towns as urged by the National Board. Speedy action on the matter was forecast inasmuch as much attention is presently focused on such prevention work as the result of national defense. President Hardy was authorized to ap-

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at dinner by Julius G. Berry, and S. J. High, of Tupelo. The meeting was known as "Special Agent's Day" and a golf tournament was held in the afternoon.

#### Sponsor Kentucky Fire College

LEXINGTON, KY.—A fire college is being sponsored here by the Kentucky civil defense commission, July 28-31. W. M. Horn and E. H. Tichenor, engineers; J. L. Thompson, acting assistant manager, and Capt. C. A. Ransdell, Jr., Kentucky Actuarial Bureau, are on the program, as well as G. L. Wolff, Underwriters Laboratories engineer.

#### Florida School Sept. 8-10

JACKSONVILLE, FLA.—The fifth annual short course sponsored by the Florida Insurance Agents Association will be held Sept. 8-10 at the Ocoola Hotel, Daytona Beach. L. P. McCord, director, and A. C. Eifler, association secretary, are in continuous session here working on the program. President Hunter Brown, Pensacola, will be chairman of the 1941 sessions.

#### Davis Is Florida Chief Clerk

Commissioner Larson of Florida has appointed R. W. Davis chief clerk. He has been director of the workmen's compensation division of the state industrial commission and has had a

wide experience in the compensation field.

#### Name South Carolina Committees

Committees and chairmen for the South Carolina Association of Insurance Agents are: Fletcher Carter, Charleston, casualty and surety; Howard Smith, Mullins, legislative; Frank Schachte, Charleston, fire and Thomas Miller, Florence, education.

#### Republic Honors Veteran

Hugh Donegan, local agent of Seguin, Tex., was honored by Republic for his 30 years as a representative of the company and as an agent. Mr. Donegan held an open house attended by many insurance people and friends and was presented a certificate of appreciation by Lenox Carruth, secretary of Republic.

#### NEWS BRIEFS

W. Temple Withers has been elected president and Ramsey W. Roberts, vice-president of the Jackson, Miss., Insurance Exchange.

Paul E. Moore, Marianna, Ark., local agent, was married to Miss Mathel Taylor of Newport.

Frank Kelly has assumed active management of the Fleming agency, Rogers, Ark.

A. Wayne Wood has bought an interest in the Dodd & O'Brien agency, Brownsville, Tex.

insurance experience was in the automobile department of the Washington Insurance Examining Bureau.

#### Gatter Succeeds Atkinson

PORTLAND, ORE. — The Phil Grossmayer general agency has appointed Fred M. Gatter superintendent of agents to succeed the late David Atkinson. Mr. Gatter entered the insurance business as a supply clerk in the San Francisco office of Edward Brown & Sons in 1928. After several promotions he became head of the northwest underwriting department and in 1935 was sent to Portland as Oregon special agent, becoming Oregon branch manager in 1939.

His new position will require some traveling, principally in the same area he formerly traveled for Edward Brown & Sons.

#### Promote Cal. Tax Amendment

SAN FRANCISCO. — Assemblyman T. A. Maloney, insurance broker, and Assemblyman R. H. McCollister, local agent of Mill Valley, have been appointed by the speaker of the California assembly to prepare the argument in favor of constitutional amendment 53 regarding premium tax and real estate offset, which will appear on the ballot. Indications are that there will be no argument filed against the proposed measure. However, under the California law any individual has a right to file such opposing argument with the secretary of state.

#### Speaking Course for Employees

SAN FRANCISCO. — A course of public speaking for company employees is announced by the educational committee of the Fire Underwriters Association of the Pacific through W. G. Rich, president. The course, for which there is to be a fee of \$8, will consist of 10 lectures occupying 15 hours. Those who enroll will automatically become associate members of the association.

#### Approve Commissioner Pay Boost

The measure increasing the salary of the insurance commissioner of California from \$6,000 to \$10,000 per year has been signed by Governor Olson. It was supported by insurance interests generally.

#### NEWS BRIEFS

Miss Mayro Lauersen, Firemen's group, won the first prize in the bathing beauty contest at the annual picnic of the Portland Association of Insurance Agents and gets a round trip ticket to

## PACIFIC COAST AND MOUNTAIN

### Governor to Speak at Washington Meet

SEATTLE.—Governor Arthur B. Langlie will give the principal address at the annual banquet of the Washington Association of Insurance Agents the first evening of the two-day convention, Aug. 11-12, at the Winthrop Hotel, Tacoma. He will speak on problems confronting Washington in its industrial growth, as well as matters of general interest to business people.

The banquet will be the high point of the convention, according to General Chairman William L. Healy, who has also announced that the master of ceremonies at the get-together affair will be Reno Odlin, president Puget Sound National Bank of Tacoma and one of the state's best-known civic figures. Mr. Odlin is also vice-president of the Washington Bankers Association and a director of the Federal Reserve Bank of San Francisco.

Governor Langlie will be the only speaker at the banquet, the remainder of the program being given over to introduction of out-of-state convention speakers and presentation of newly-elected officers. Entertainment will conclude the evening's festivities. Banquet arrangements are being made by H. D. Hayward of Raleigh-Hayward Co., Tacoma, while J. J. Martin of Mat Ogennoth Co., Tacoma, heads the entertainment committee.

Harold J. Toso of San Francisco, vice-president Newhouse & Sayre, has been scheduled to speak on "Inland Marine Coverages" at the general session.

### Lyon Heads General Cover Division of America Fore

SAN FRANCISCO. — Norbert L. Lyon has been appointed superintendent of the general cover department of the Pacific Coast department of America Fore. He will be under the direct supervision of Secretary Harry W. Nason. H. Clyde Edmundson is vice-president of the group in charge of the Pacific department.

Mr. Lyon succeeds the late Herbert L. Melick, with whom he served as assistant for four years. He was also for two years in the America Fore engineering department.

John F. Curtin has been appointed

engineer, associated with Engineers Ray E. Swearingen and Clarence W. Lord. Mr. Curtin is a graduate of the University of San Francisco and for the last three years has been with the Northwestern Mutual Fire of Seattle in its San Francisco office.

#### Gould & Gould Expand Staff

SEATTLE.—Frederick Schwieler, for four years with the home office underwriting department of the Northwest Casualty in Seattle, has joined the underwriting staff of Gould & Gould general agency, which is headed by E. R. Haffner. H. H. Trow is another addition to the underwriting department. He was formerly in the home office of New Hampshire Fire.

John McBurney is joining Gould & Gould as special agent in southern Idaho and Utah. He has been with the Hevly-Scott agency of Seattle, prior to which he was with the E. A. Ware agency of Nampa, Ida. His first in-

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★  
COAST TO COAST

San Francisco. Mary Storkersen, Travelers, was second. Fred Jewett of Jewett & Dorman was general chairman.

**Elmer Bonstin**, vice-president Pacific National Fire, addressed the San Francisco Insurance Women's League on "Remembering." He is a memory expert.

The **Grange Fire** of Washington has voted down a proposed amendment of its charter to permit it to write automobile insurance. A majority of members voted to enter the automobile field, but there was not the required two-thirds majority.

**George E. Marron**, Fire Companies Adjustment Bureau manager at Grand Junction, Colo., has returned to his office after two months in Chicago, where he was treated at the University of Chicago Clinic and at Billings Memorial Hospital.

The **Insurance Women's Association** of Seattle cruised Puget Sound on the yacht "Cadrew."

**S. M. Greene**, for 6½ years chief claims investigator in the Los Angeles office of the California department, has resigned to enter private business.

## MARINE

### Yacht Premiums Are Well Ahead

A very respectable increase in yacht premiums is reported this season. A large part of the increase comes from the great popularity in boating that is developing particularly on inland lakes. The various government dam and conservation projects throughout the country have created a large number of new lakes and these are being exploited to the utmost by those in the vicinity. The insurance in these regions pertains mainly to boats that are valued at from \$1,200 to \$1,800. The principal underwriting consideration of these risks seems to be whether marine service facilities are available so that repairs can be made expeditiously. Some underwriters are rather leery of the protection and indemnity feature in connection with these risks. There is likely to be a good deal of congestion; most of the owners are new at the boating sport and some of the sons of the owners are likely to engage in stunting and showoff practices that would not be tolerated in better policed waters.

### Ruling on Maritime Compensation

**SAN FRANCISCO**—J. A. Hutchinson, deputy attorney-general of California, has given an opinion that marine companies may write compensation insurance under the United States longshoremen's and harbor workers' compensation act, in connection with any risk to which the state compensation law does not apply.

Marine companies have commonly written this insurance on the same basis as casualty companies, but the insurance commissioner had asked for an opinion because of a question of the charter capacity of marine carriers. Mr. Hutchinson's opinion also points out that the state compensation fund may write this business.

### Myers with North America

**LOS ANGELES**—Ernest H. Myers has joined the North America's Los Angeles branch in charge of the marine loss department. He also will do underwriting in that department. He formerly was with Marsh & McLennan in their New York office, and was transferred to Los Angeles. Later he became associated with Allen T. Archer & Co., leaving there to join the North America.

## MOTOR

### Mutuals Find 20-80 Collision Form Popular

Mutual companies which have adopted the 20-80 collision form report that it has been extremely popular. Under the coverage, the assured agrees to carry 20 percent of the loss and the company covers 80 percent. The most widely used variation of this coverage is that under which the company agrees to assume the full burden on any loss over \$125. In other words, the assured will never be required to pay more than \$25.

The popularity of the policy with the assured is due to the fact that it pays something on small claims which are not covered by the ordinary deductible policies. The companies have experienced some increase in cost, but they feel that the increase in volume and service is well worth it. The form was inaugurated by State Farm Mutual of Bloomington, Ill., in 1922. It has since been adopted by Farm Bureau Mutual Auto of Ohio, Farm Bureau Mutual of Indiana, Farm Bureau Mutual of Wisconsin, Illinois Agricultural Mutual, and Farmers Auto Insurance Exchange of Los Angeles.

### Drop Semi-Annual Plan in Wash.

**SEATTLE**—The Employers Mutual Liability and Employers Mutual Fire of Wisconsin have discontinued writing automobile policies in Washington on a six months basis. They charged 50 percent of the annual rate.

## CANADIAN

### Agents Seek to Hold Off Toronto Self-Insurance Plan

**TORONTO**—The board of control of the city of Toronto is considering the advisability of the city carrying its own fire insurance. The plan is to set up a reserve against which fire losses may be charged. Authority to do this would be secured from the Ontario legislature next year.

Toronto now carries 451 fire policies, and it has been suggested by one council member that these be reduced to five or six blanket policies. The suggestion that seems to be carrying most weight, however, and which will be decided one way or another at an early date, is that city insure its own properties.

At a special meeting at which fire insurance authorities were asked to give opinions, Sam McAdam, president of the Toronto Insurance Conference, assured the board of control that the conference would undertake a survey of city insurance problem rates and submit a brief with recommendations on the best means of reducing costs.

Frank E. Wrong, representing the Halifax Fire, urged the city to have a survey made by an independent body, rather than by a partial group. He said 85 percent of Canadian insurance is handled by companies controlled outside Canada.

### Procedure for Wheat Is Suggested

(CONTINUED FROM PAGE 1)

was his intention to seal the wheat or to make such other disposition of the wheat in a manner that would have netted him a return in excess of the market price less the penalty.

The Farm Underwriters Association committee consists of B. R. Walinder, America Fore; R. G. Osgood, North America, and Arthur Johnson, Hartford

Fire. Edw. W. Born, Western Underwriters Association, is secretary of the association.

The 49 cent penalty was greeted with strong protest by "non-cooperators," those who planted in excess of allotted acreage. Permission of the AAA to adjust 1941 excess with 1942 allotment is regarded as a concession to the protesters.

A good many farmers are considered to be in compliance with all aspects of the marketing act, and will be able to market all their wheat at the prevailing price, or, if they can qualify for a Commodity Credit Corporation loan, they can acquire a loan of 85 percent of parity price. The 85 percent of parity was set at 98 cents this year.

The "non-cooperators," however, can't market or use wheat produced on their excess acreage until they pay the 49 cent penalty, or until an adjustment on 1942 wheat.

The suggested procedure of handling loss adjustments involving any penalty grain will, if followed, be fair to all parties involved, and will prevent the situation from getting out of hand so far as insurance is concerned, it is believed.

Fieldmen, adjusters, loss superintendents, and, in many cases, agents, are being advised of the suggested procedure by the association.

### Liability Manuals Recast by Bureau

(CONTINUED FROM PAGE 11)

The exclusion of liability for elevator accidents in public liability policies has been changed so as not to apply to elevators not operated by the assured, where the assured is a tenant of part of the building. Installation, removal or alteration of private house elevators is covered without additional charge under elevator policies. Elevators controlled by push buttons are now included in coverage for apartments occupied by one family.

There are a number of new contractual liability classifications, and also several new protective liability classes.

### Medical Aid Coverage

Full medical aid cover for domestic servants, which has been written by endorsement to residence and employers liability policies for some time, is incorporated in the owners, landlords and tenants liability manual. Limits of \$250 and \$500 are provided. Under the farm classification and the personal liability class for farms, straying of draft and saddle animals is specifically covered.

Manufacturers and contractors liability coverage may now be written for three years, at three annual premiums. This was expected in view of the fact that it is done with these exposures under comprehensive liability policies. Since teams liability is now covered by owners, landlords and tenants rules, this coverage may now be written for three years, with term discounts.

### Comprehensive Liability Rules

The comprehensive liability supplements for the automobile liability and public liability manuals have been revised to show the rule changes announced last spring. These include the dropping of the property damage liability minimum premiums, making the automobile comprehensive liability minimum premium a flat \$100, the combined minimum premium of \$200 for automobile and general comprehensive liability and making grantors liability an optional coverage.

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WESTERN DEPARTMENT  
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Offices in Principal Cities

### New York Plan Provides for Commissions

(CONTINUED FROM PAGE 11)

The plan is being set up on a voluntary basis in accordance with an agreement on the part of the companies that they would do so by the time that the new financial responsibility law becomes effective in New York, Jan. 1. Warning has been given the companies that if a satisfactory voluntary plan is not put in operation the state would enact a statutory plan.

Bernard A. Culloton of Kingston has been appointed to the new position of deputy commissioner of motor vehicles in New York to head a financial responsibility division in the bureau of motor vehicles. He will proceed to draft regulations and procedure and organize the personnel of the department.

### Interest in Insured Property

In *Prather vs. National Fire*, Kansas supreme court reversed the lower court. Plaintiff had contracted to purchase certain property from the Beaver estate. A policy covering this property was issued by the National and subsequently the dwelling house and a part of the washhouse were destroyed by fire. The policy contained a mortgage clause and under this clause payment was made to the Beaver estate which was designated as the mortgagee. Defendant contends that the policy was void since plaintiff misrepresented the facts as to his interest in the property. Plaintiff says that he did disclose the true state of his interest in the property to the agent who solicited the policy. This was a question of fact which should have gone to the jury and the court erred in directing a verdict for plaintiff. The payment to the mortgagee under the terms of the policy could not operate as a waiver of the defense of fraud as was contended by plaintiff, the court held.

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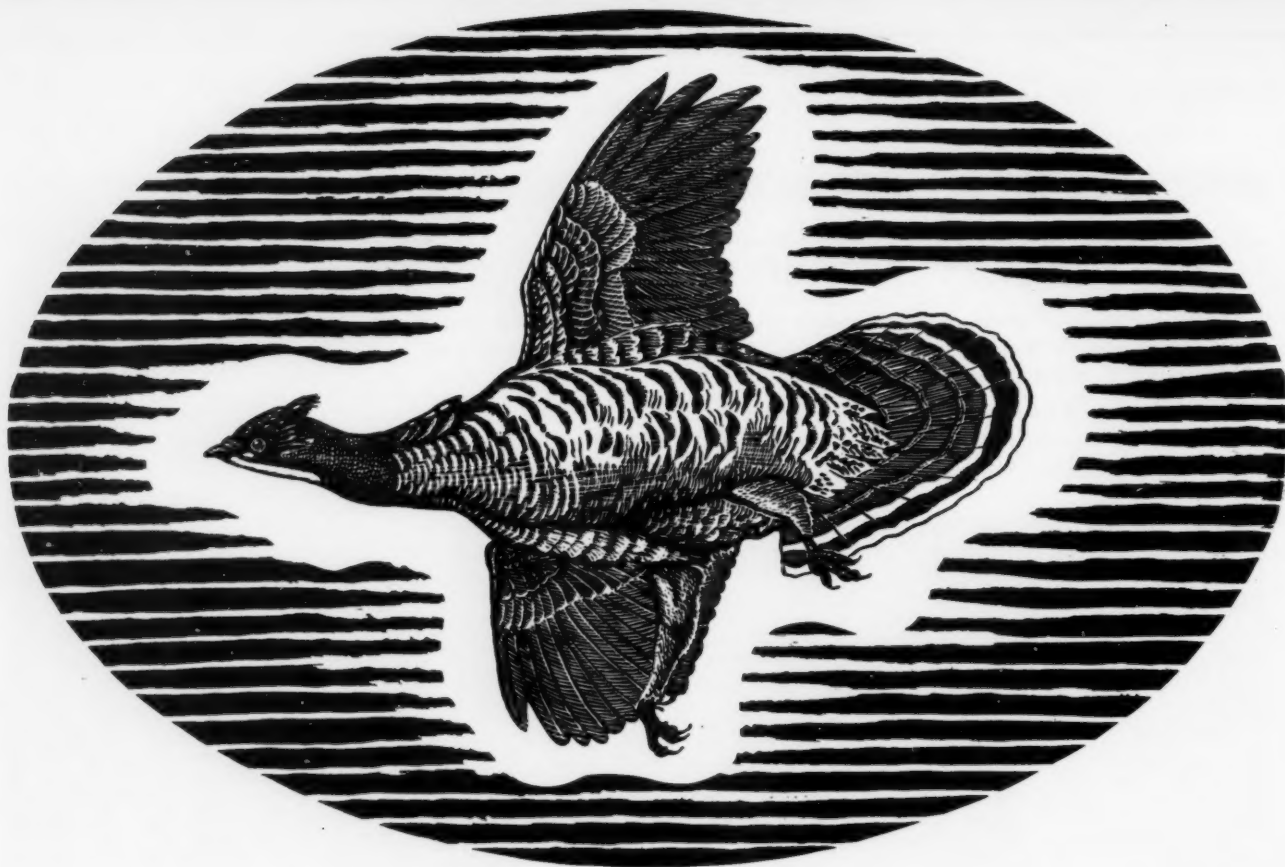
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It would be the best bird that ever did fly.**

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